Daily Report

East Europe

FBIS-EEU-94-184
Thursday
22 September 1994

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Daily Report
East Europe

FBIS-EEU-94-184 *22 September 1994*

CONTENTS

NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable in databases. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

All material in this volume previously disseminated in electronic form.

ALBANIA

Alliance's Ceka Comments on Greece, Constitution *[KOHA JONE 13 Sep]* 1
Commentary Criticizes Orthodox Leader's Activities *[REPUBLIKA 15 Sep]* 1

BULGARIA

SDS Officially Refuses Mandate To Form Cabinet *[Sofia Radio]* 3
Zhelev Discusses Crisis With Union Leaders *[Sofia Radio]* 3
Democratic Party May Contest Elections Separately *[KONTINENT 21 Sep]* 3

CZECH REPUBLIC

Havel Receives Outgoing Minister, New Appointee *[Prague Radio]* 4
Klaus on Baudys's Dismissal *[Prague Radio]* 4

SLOVAKIA

Clinton Letter Seen as Support for Moravcik *[SLOVENSKY DENNIK 17, 19 Sep]* 5
Survey Shows Only 27% for NATO Membership *[Bratislava Radio]* 5
Bugar on Terms of Hungarian Support for Coalition *[SLOVENSKY DENNIK 16 Sep]* 5
Results of September Poll on Party Preferences *[SME 17 Sep]* 6
Leading Party Reveals Its Postelection Manifesto *[Prague Radio]* 7
Jewish Association Chairman Interviewed *[NOVE SLOVO BEZ RESPEKTU 22 Aug]* 7
Finance Minister's Lecture Reviews Fiscal Policy *[Bratislava Radio]* 8

HUNGARY

Pataki Comments on Visegrad Group, Coalition *[TRYBUNA 21 Sep]* 10
Minister Presents Draft Supplementary Budget *[Budapest Radio]* 10

POLAND

Assembly Meets To Discuss New Constitution *[PAP]* 14
Dziewulski 'Being Groomed' as Intelligence Chief *[GAZETA WYBORCZA 22 Sep]* 14
Deputy on Differing Views About State Secrets *[TRYBUNA 22 Sep]* 14
Center Accord Head Views Presidential Election *[ZYCIE WARSZAWY 22 Sep]* 15

ROMANIA

Statement Greets U.S. Efforts in Haiti *[Bucharest Radio]* 16
Iliescu Receives Moldovan Opposition Leader Matei *[Bucharest Radio]* 16
Iliescu Discusses Relations With Hungary *[Bucharest Radio]* 16
Iliescu Interviewed About 13 Sep Message, Health *[ROMANIA LIBERA 14 Sep]* 18
Army Denies Having Secret Plan for Ethnic Unrest *[EVENIMENTUL ZILEI 19 Sep]* 19
Opposition Cancels Vacaroiu Privatization Meeting *[Bucharest Radio]* 19

BOSNIA-HERZEGOVINA

Krajisnik Threatens UN if Sanctions Lifted *[TANJUG]* 20
'Ideological Disagreements' With FRY Examined *[BORBA 20 Sep]* 20
UN Reports Serbs Removing Arms From Sarajevo *[AFP]* 20
Talks With UNPROFOR on Sarajevo Adjourned *[Sarajevo Radio]* 20
Serbs Link Sarajevo Energy to Brcko Repairs *[Sarajevo Radio]* 21
'Joint Aggressors' Launch Attacks in Bihac Area *[Sarajevo Radio]* 21
'Intensive' Serb Helicopter Traffic Reported *[Sarajevo Radio]* 21
'Brilliant Military Victory' for 5th Corps *[Sarajevo Radio]* 21
Bosnian Serbs Report Teslic, Sarajevo Attacks *[TANJUG]* 22
Serbs Repel Muslim Attacks in Mostar, Konjic *[TANJUG]* 22

CROATIA

Granic Outlines Demands for UN Extension *[Zagreb Radio]* 23
Army Protests Serb Activity in Occupied Areas *[Zagreb Radio]* 23

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Defense, Interior Ministers View State Security *[NOVA MAKEDONIJA 17 Sep]* 24
Albanian PDP Threatens To Boycott Elections *[MIC 21 Sep]* 24
Ethnic Albanian Party Rivalries Considered *[KOHA JONE 17 Sep]* 24

SLOVENIA

Peterle Sends Letter of Resignation to Drnovsek *[DELO 17 Sep]* 26
Drnovsek Elected to Liberal International *[REPUBLIKA 10 Sep]* 26

YUGOSLAVIA

Federal

Forthcoming U.S.-Russian Talks on Bosnia Viewed *[TANJUG]* 27
'Customs War' Noted Between Srpska, RSK *[VECERNJE NOVOSTI 19 Sep]* 27

Serbia

New Ownership Transformation Law Examined *[NIN 18 Aug]* 28

Montenegro

Lekic Discusses Importance of Prevlaka Peninsula *[TANJUG]* 30

Alliance's Ceka Comments on Greece, Constitution

AU2209081294 Lezhe KOHA JONE in Albanian 13 Sep 94 p 2

[Interview with Neritan Ceka, president of the Democratic Alliance, by Blendi Fevziu; place and date not given: "Neritan Ceka on Albanian-Greek Relations and the Constitutional Assembly"]

[Text] [Fevziu] Mr. Ceka, the three most visible problems in current Albanian politics are: The deterioration of Albanian- Greek relations, the legitimacy of an announced Constitutional Assembly, and a new option present in Serbia for the division of Kosova. What are your views on these issues? Let us start with the first one.

[Ceka] Albanian-Greek relations have reached their nadir, and I do not expect any further deterioration. There will now be a period of stagnation that may last something between several months and several years. A time has come when neither side possesses any arguments and everything takes place on an emotional level. This unavoidably leads to a freeze.

[Fevziu] In the first phase of the deterioration of relations, during the trial, Berisha lacked a consensus among political forces, mainly those of the opposition. Do you think that in the second phase of this deterioration, following the verdict, Berisha will attempt to gain this?

[Ceka] Albanian-Greek relations have developed on two entirely different planes. The first plane concerned the prospects for these relations, on which the two sides should have been more balanced and should have considered longer-term prospects. In the second issue, that of the conviction of the five ethnic Greeks with Albanian citizenship, Greece was more emotionally involved than Albania. The Greek reaction transcended relations between the two states. The demand for the suspension of the trial and the immediate release of the five [word indistinct] went beyond all principles of international behavior.

Nevertheless, Berisha did not have a consensus over the first issue because Albanian political forces had a totally different vision of Albanian-Greek relations. Berisha's vision only matches that of the Republicans and the Right, while other parties have a broadly European outlook.

[Fevziu] Regardless of any congruence of visions, no official consensus among these parties was sought.

[Ceka] I do not know of any issue on which Berisha has sought a consensus and this is one of the evils of Albanian domestic and foreign policy. Matters are signed and sealed by Berisha's decision [words indistinct] to his will.

[Fevziu] The Greek Government's statement in response to the Albanian Government's statement implied that the settlement had been dictated.

[Ceka] I do not think that Albania is part of any political plot, whether Balkan or European. This is megalomaniac thinking that exaggerates the value of Albanian politics. We are dealing more with dilettantism than with involvement in political scheming.

[Fevziu] Let us move on to the second matter, which, even though very important, has been left in the shade by the problem of relations with Greece. This is the Constitutional Assembly. Ever since Selami on behalf of the Democratic Party supported Berisha's idea of announcing a Constitutional Assembly, all the parties have come out against it, including even coalition parties such as the Social Democrats. Have you anything to add here?

[Ceka] As in the matter of Greece, here too Berisha and the Democratic Party have not made any attempt to achieve the consensus that is necessary to approve the Constitution. It is, moreover, a planned offensive on their part in order to find a way to approve the Constitution with the help of a Constitutional Assembly, without a consensus and outside the legal framework.

[Fevziu] Let us move on to the third problem; Ilaz Ramajli, chairman of the parliament of Kosovo, has condemned an idea current in certain Serbian circles concerning the partition of Kosova and the legitimization of a border with Albania. What is your view?

Such a settlement might stem from the exhaustion of Serbian political forces and the Serbian state commited to an insane war against everybody, or from European diplomacy banging its head against the brick wall of the Balkans, where solutions are always sought through war rather than at the discussion table. Such an option for the partition of Kosova, or for the ethnic cleansing of one part, which would leave the reminder as a republic or free to join Albania, arises from the fact that Serbia's retention of Kosova has become counterproductive. Kosova produces nothing. Hundreds of thousands of Serbian soldiers are held down in Kosova. There is a large circle of diplomats and political forces commited to the solution of tne problem of Kosova, which stimulates ideas of alternative settlements.

[Fevziu] If this option becomes official and is put forward at the discussion table, how would you consider it?

[Ceka] This is a criminal option based on ethnic cleansing, and could provoke a new hotbed of war in the Balkans. I think that we must be very careful over such options, and that the time has come to sit down at the discussion table in order to find the most realistic settlement for Kosova.

Commentary Criticizes Orthodox Leader's Activities

AU2209070694 Tirana REPUBLIKA in Albanian 15 Sep 94 pp 1,2

[Mero Baze article: "Yanullatos, Out of Albania!"]

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

[Text] Yanoullatos [Greek archbishop of the Albanian Orthodox Church] has come here only to leave Albania. He will leave one day as all the occupiers do. Remaining in Albania will be the Albanian priests and the high ideal of Albanianism that will keep Albanian orthodoxy alive. The Albanian orthodox priests who undertook the great mission of reviving the Albanian autocephalous orthodox church, which was built at the cost of so many sacrifices and martyrs, have the historic responsibility of going down in history either as its saviors or as the gravediggers of the great work of Albanian patriots. The term and the professional mandate of this provisional man who took over the Albanian autocephalous orthodox church have expired, and now he has launched an offensive to implement the political mandate entrusted to him by Athens. Today Yanoullatos represents the open grave of Albanian Christianity and a cloak of shame thrown unjustly on the Albanian hierarchy of the orthodox church. His secret links with the most ultranationalist Greek forces, his clear mission, which was proven especially in the letters sent by the leaders of the Greeks minority in Albania to the Greek prime minister at the time when he was striving to take over the Albanian church, and his negative role at the time of tension in Albanian-Greek relations, are sufficient proof that he is not God's envoy here, but a political representative of Greek orthodoxy, whose platform supports the Greek national chauvinism. Anastas Yanoullatos has always fueled tension in the calm periods of relations between the two countries, thus becoming an instigator of permanent tension between Albania and Greece.

Suffice it to recall that just a few months after those who fell victim to the Greek bands in Peshkepia were buried, Yanoullatos—aiming to divert attention for the crime committed by the Greek side—incited the Greek state to issue notes of protests because his wish to hold a religious demonstration on Skanderbeg Square was not fulfilled. A year ago, when the Greek Government provoked fresh tension in relations because of a just measure taken by the Albanian state against a member of Yanoullatos' army in Gjirokaster, Yanoullatos left for Athens and tried to pose as a holy father who forgave sins. Now again, when Albania is facing one of the most ferocious offensives by Greek national chauvinism, Yanoullatos is in Greece, spearheading from there this unprecedented tension between the two countries.

His return to Albania and sitting on the throne that God has blessed for the Albanians will be a great act of treason for every member of the hierarchy of the Albanian autocephalous orthodox church and a new responsibility of the Albanian state in its too tolerant a stand toward this open Greek aggression. Yanoullatos can be deported from Albania neither by the secondary committees that are waging propoganda for the protection of the Albanian autocephalous orthodox church, nor by public appeals and declarations. The time has come for the Albanian priests of this hierarchy to take the destiny of the Albanian church into their own hands. It is up to them and them alone to show Albanians that inside its walls, the Albanian Church preserves the wishes of its great martyrs and the memory of Noli, Negovani, Kristoforidhi, Dhaskal Todri, Petro Nini, Grigor of Gjirokaster, and those who carried out the noble act of achieving this church's independence—Visarion Xhuvani and Kristofor Kisi. They must show Albanians that inside these walls there are no secret plans being hatched against this country, but that the light of Albanianism shines there. They must show this country that they know how to become real heroes in the bright history of the Albanian church. They must show the people that God has blessed them to speak to them in the language of the Albanians and not in that of Greek chauvinism. One day, Yanoullatos will go. He will carry with him the bleakest part of the history of the Albanian autocephalous orthodox church. There will remain in Albania only the Albanian orthodox priests. They must not share guilt for the rest of their lives for an act that is close to national betrayal. It is a very hard thing to endure treason, therefore it is high time to show that they know how to safeguard the pure and high ideals of Albanian orthodoxy. They are now confronted with a great challenge. Between their fatherland and Greek chauvinism embodied in the person of Yanoullatos, they will will undoubtedly choose Albania.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

SDS Officially Refuses Mandate To Form Cabinet

AU2109174394 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 21 Sep 94

[Text] On 21 September the parliamentary faction of the Union of Democratic Forces [SDS] officially refused the mandate to form a cabinet in this parliament.

Stefan Savov, chairman of the SDS parliamentary faction, said to the journalists that the written refusal does not contain the reasons that prompted the faction to adopt the decision, but those reasons are well-known.

The SDS thinks that this parliament is incapable of producing a working cabinet.

According to the Constitution, following the SDS refusal the president has one week to issue a decree entrusting one of the three remaining parliamentary factions—the Movement for Rights and Freedoms [DPS], the New Choice, and the Democratic Alternative for the Republic [DAR]—to form the new cabinet.

Stefan Savov, chairman of the SDS parliamentary faction, thinks that there is almost no chance of forming a new cabinet. According to Anastasiya Mozer, chief secretary of the Bulgarian Agrarian National Union [BZNS], President Zhelev shares the same opinion. It is more probable that new elections will be held, than a cabinet being formed with the mandate of one of the smaller parliamentary factions.

During her meeting with the president, the Election Bill and the constitutional amendments were also discussed.

Zhelev Discusses Crisis With Union Leaders

AU2209083294 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 21 Sep 94

[Text] On 21 September President Zhelev received one after the other Professor Krustyu Petkov, leader of the Confederation of Independent Trade Unions in Bulgaria [KNSB], and Dr. Konstantin Trenchev, leader of the Podkrepa Labor Confederation.

Both trade union leaders think that there only is a minimal chance of resolving the crisis by forming a new cabinet.

During the meeting between the president and Prof. Petkov the issue of guaranteeing social peace in the country until and during the elections was discussed. According to Prof. Petkov this could be done by moderately compensating the population for the price increase shock and continuing the process of privatization. He conveyed an appeal from the KNSB to the president, expressing the hope that President Zhelev will exert his authority in more rapidly resolving the political crisis in the country.

Dr. Trenchev informed the president about the policy conducted by Rumen Bikov, outgoing minister of industry. According to Dr. Trenchev, this policy could destroy the fragile social peace in the country.

Democratic Party May Contest Elections Separately

AU2209072194 Sofia KONTINENT in Bulgarian 21 Sep 94 p 1

[Report by Galya Nikolova: "Stefan Savov May Fight Elections Separately from Union of Democratic Forces"]

[Text] Sofia—The Democratic Party may fight the next elections independently or in a coalition, its leader Stefan Savov declared in a radio statement yesterday. He pointed out that the Democrats would not oppose the SDS [Union of Democratic Forces], as the BSP [Bulgarian Socialist Party] had always been their only opponent.

"As long as the present SDS National Coordinating Council decides the problems of the SDS coalition, we see no possibility of returning to the SDS," Stefan Savov told KONTINENT, in spite of the fact that the party's two-month period of suspension expires on 26 September. The Democratic Party leader commented that the National Coordinating Council does not represent the whole of the SDS coalition, and noted that the leadership at 134 Rakovski Street had failed to make the necessary analysis of SDS policies and mistakes that the Democrats had called for.

One possible future ally of the Democratic Party is the BZNS [Bulgarian National Agrarian Union] led by Anastasiya Mozer. So far, the two organizations have been holding talks at the expert level. At the end of the week the Democratic Party Supreme Party Council will decide how the party is to behave in future.

"Ask Aleksandur Yordanov [leader of Radical Democratic Party] what he thinks about this idea of an anticommunist alliance and how he sees it functioning," Stefan Savov told KONTINENT. The Democratic Party leader said that the idea had existed for a long time, but nothing had been done about it. "How can one talk about an anti-communist bloc that does not include the Democratic Party as a member?" Savov asked.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Havel Receives Outgoing Minister, New Appointee

LD2109184594 Prague Radiozurnal Radio Network in Czech 1600 GMT 21 Sep 94

[Excerpts] President Vaclav Havel has received for a personal audience Defense Minister Antonin Baudys and Vilem Holan, the new candidate for the post of defense minister. Eva Hulkova reports.

[Hulkova] [passage omitted] This is what Antonin Baudys told journalists, among other things, after his discussion with President Havel:

[Begin Baudys recording] I think this is rather a political decision. I respect all of the reasons stated here. I have to agree that the transformation of the Army, in the form in which it began, is going in the right direction. [end recording]

[Hulkova] The ceremonial act of appointing the new defense minister is planned to take place at 1600 on 22 September. [passage omitted]

Klaus on Baudys's Dismissal

LD2109192494 Prague Radiozurnal Radio Network in Czech 1600 GMT 21 Sep 94

[Text] After today's Czech Government session, Prime Minister Vaclav Klaus briefly evaluated Antonin Baudys's work as defense minister and spoke about his successor, Vilem Holan.

[Begin Klaus recording] As far as the outgoing minister is concerned, apart from what I have already told him during our hour-long discussion, I would like to use this opportunity to thank him. I would like to thank him for his 21 months of work in this post. I think his performance was somewhat belittled by some external circumstances. They were definitely not happy circumstances, and they were definitely not circumstances that would please us. I think the overall contribution of the work he has done must not be narrowed down to these few developments, which are, of course, obvious to the public. I think it is important and significant to say this.

I had a long and detailed discussion with the minister-designate. I think he will be able to do this job well. I respect his scope of knowledge of international politics. It should be clear to everyone, I hope, that this is an important part of the defense minister's post. I believe he will also become a successful manager of the major entity that is formed by the defense minister and the Czech Republic Army. [end recording]

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Clinton Letter Seen as Support for Moravcik

AU2109140694

[Editorial Report] Bratislava SLOVENSKY DENNIK in Slovak on 17 and 19 September carries articles viewing U.S. President Bill Clinton's recent letter to Prime Minister Moravcik as an expression of support for the present government.

Bratislava SLOVENSKY DENNIK in Slovak on 17 September on page 2 carries a 200-word "kn"-signed report on a news conference given by the Permanent Conference of the Civic Institute (SKOI) in Bratislava on 16 September. SKOI representatives are running in the forthcoming election on the Christian Democratic Movement (KDH) ticket. The report includes the following passage: SKOI representative "Frantisek Sebej said that President Bill Clinton's letter to Slovak Prime Minister Jozef Moravcik was a very important signal for Slovakia and the international public. It declares the interest of the United States in the continuation of transformation and in a political development such as is being carried out by the present government of Jozef Moravcik. 'If the U.S. President did not want to say precisely this, he would have waited with the letter until after the election, or he would have considered whether to write the letter at all,' Frantisek Sebej said."

SLOVENSKY DENNIK on 19 September on page 4 carries a 600-word Miroslava Kodonova commentary entitled "On Clinton's Letter." The commentator says: "Besides the text itself, Clinton's letter to Jozef Moravcik has yet another significance. It is addressed to an unpredictable country with unpredictable leaders. If a government that has a legible program and that has confirmed this program by specific political and economic steps appeared in this country for a while, it needs to be given support. There is no other explanation for the timing of Clinton's letter, which can only be interpreted as evident support for the transformation process as implemented by Moravcik's government. Otherwise, the U.S. President would have sent the letter after the election, or he would not have reacted to Moravcik's call at all."

Survey Shows Only 27% for NATO Membership

LD2109200594 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 21 Sep 94

[Text] Only a small proportion of the population thinks there is an immediate danger of armed conflict in Central Europe. It is more afraid of instability and chaos. According to the public opinion survey carried out in July by the Ministry of Foreign Affairs jointly with the methodology and research cabinet of Slovak radio, 27 percent of respondents were in favor of Slovakia's entry into NATO and the EU. Twenty-five percent of respondents preferred neutrality.

Bugar on Terms of Hungarian Support for Coalition

AU2109135794 Bratislava SLOVENSKY DENNIK in Slovak 16 Sep 94 p 8

[Excerpt from interview with Vojtech Bugar, chairman of the Hungarian Christian Democratic Movement, by an unidentified DOMINO EFEKT reporter; place and date not given—reprinted from issue No. 36/1994 of the eastern Slovak weekly DOMINO EFEKT]

[Excerpts] [Passage omitted] [DOMINO EFEKT] The Hungarian Coalition could hold the balance of power when it comes to forming or giving support to the government. Do you reckon with this alternative?

[Bugar] Yes. It has been said, particularly by the Party of the Democratic Left [SDL], that, in view of the fact that, in its coalition agreement, the Hungarian Coalition lays down the Komarno documents as its goal, the conclusion of a coalition with Hungarian parties probably will not be possible. Bilateral talks between our tripartite coalition and the parties making up the present government coalition ought to be held on this topic. Some political parties understand the Komarno documents to mean territorial autonomy. This is possibly caused only by a poor translation of our coalition agreement. However, the SDL's next sentence was that, if there is no possibility to come to an agreement with us, they will have to think about the conclusion of a coalition with the Movement for a Democratic Slovakia [HZDS]. We want to help establish a democratic government in Slovakia so that the country is ruled by democratic forces whose aim is the prosperity of the Slovak Republic and not the prosperity of their party or its leader. We are also prepared to be in the government. Of course, these are premature considerations because postelectoral talks on this topic will be necessary. We have our own goals, just as we had them during the current electoral term. Five months ago, there was much talk about our eight-point agreement with the coalition. Recalling that agreement, I must say today that fewer than 50 percent of it has been fulfilled. This does not mean, however, that we would contribute to the dismissal of the government or its members. It is not our aim to create instability in Slovakia. We will support the stability of government, of a government that will use democratic principles and methods and that will strive to finally establish calm in Slovakia so that the problems that have been afflicting the country since the end of 1989 can be resolved.

[DOMINO EFEKT] The options also include tacit support....

[Bugar] I do not exclude even that option. However, the Hungarian Coalition probably will not support a government comprising the HZDS. It would be very difficult for us to support such a government, in view of the experience we had with Meciar, Slobodnik [former culture minister], and Hofbauer [former transportation minister]. There is a possibility of giving tacit support to

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

a government composed similarly to the present one. Being in the government also means bearing responsibility for a certain sector. Supporting the government means obtaining some "benefits," such as the implementation of the law on bilingual road signs or consideration of the Hungarian minority's views when deciding on Slovakia's new territorial and administrative arrangement. It is necessary to change the opinion that has been imposed on the citizens in Slovakia for a year and a half that the Hungarian minority is an enemy. We must do away with this once and for all in some way. One of these ways is the formation of a coalition. Personally, I prefer an open coalition to tacit support, also because an open coalition also means responsibility.

[DOMINO EFEKT] Virtually all Slovak political entities regard the Komarno documents as a threat to the state integrity of Slovakia. For this reason, the tendency not to cooperate with the Hungarian Coalition is gradually gaining ground among them. Is this justified?

[Bugar] It needs to be said what the Komarno documents actually contain. We can subdivide them into several parts. One of these concerns general rights, among which there are two important spheres. The first concerns cultural and educational autonomy. [passage omitted] If a nation or an ethnic minority are to be preserved, they must not be hampered in the sphere of culture and education. [passage omitted] The other broader issue is the territorial and administrative division of Slovakia, which is probably also the most problematic issue. Should the territory of the Slovak Republic be subdivided into administrative units according to criteria that have been endorsed also by the Council of Europe expert group, we would like to incorporate into them yet another criterion—namely, that the territory should be divided so that, in areas that are inhabited by the Hungarian minority, the Hungarian minority should not constitute less than 50 percent of the population.

Results of September Poll on Party Preferences

AU2109135594 Bratislava SME in Slovak 17 Sep 94 p 2

[Article by "r": "Preelection Preferences According to the Statistical Office"]

[Text] Bratislava—The Slovak Statistical Office [SUSR] carried out its regular public opinion survey from 1 to 9 September 1994. The sample, whose composition corresponded to the composition of the adult population of the Slovak Republic from the viewpoint of basic sociodemographic characteristics, comprised 1,284 respondents.

The survey confirmed decreasing interest in participation in the election to the National Council of the Slovak Republic. Three weeks before the election, 74 percent of those questioned would go to the polls, compared with 80 percent in July.

The 5-percent threshold necessary to win seats in parliament would be crossed by six political entities: the Movement for a Democratic Slovakia [HZDS]—26.6 percent; Common Choice—19.7 percent; the Hungarian Coalition—10.9 percent; the Christian Democratic Movement [KDH]—9.1 percent; the Democratic Union [DU]—8.4 percent; and the Association of Workers of Slovakia [ZRS]—5.9 percent. (The above results consider only the electoral preferences of citizens who intend to participate in the elections.)

The electoral results of some political entities in individual electoral regions differ considerably. The HZDS scored the greatest popularity in Bratislava (29.5 percent) and the lowest in eastern Slovakia (25.1 percent), while Common Choice is most popular in central Slovakia (21.5 percent) and least popular in western Slovakia (17.4 percent). In Bratislava, DU achieved 15.4 percent of the vote and the Democratic Party [DS] 6.4 percent. In western Slovakia, on the other hand, DU achieved 4 percent, and, in central Slovakia, the DS achieved 1.7 percent. The KDH scored 11.4 percent in eastern Slovakia and 5.8 percent in Bratislava. The Hungarian Coalition achieved the greatest popularity in western Slovakia (22.7 percent) and the lowest in Bratislava (3.8 percent). As many as 8.7 percent of voters in central Slovakia but only 3.8 percent in Bratislava sympathize with the ZRS.

SUSR registered a marked increase in the proportion of citizens who do not trust a single politician active in Slovak politics (from 28 percent in August to 37 percent in September). The survey produced the following results: Vladimir Meciar is trusted by 21 percent of respondents, Jozef Moravcik by 18 percent, Michal Kovac by 14 percent, Peter Weiss by 13 percent, Ivan Gasparovic by 7 percent, Jan Carnogursky by 5 percent, and Vojtech Bugar by 4 percent.

[Bratislava SLOVENSKA REPUBLIKA in Slovak on 19 September on page 1 publishes the following table on the results of the SUSR September poll, which provides electoral preferences for all 18 entities contesting the parliamentary election:

HZDS-Farmers Party of Slovakia	26.6
Common Choice	19.7
Hungarian Coalition	10.9
KDH	9.1
DU	8.4
ZRS	5.9
Party Against Corruption	3.9
Slovak National Party	3.2
DS	2.9
Communist Party of Slovakia	2.6
Movement for a Prosperous Czecho-Slovakia	2.5
Christian Social Union	1.5
Social Democracy	1.2

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

New Slovakia	0.4
Romany Civic Initiative	0.4
Association for the Republic-Republicans	0.3
Real Social Democratic Party of Slovaks	0.1
Liberals	0.0

On the same day and page, SLOVENSKA REPUBLIKA carries the following table on the results of the SUSR poll on interest in participation in the election:

	Percent
Will definitely participate	45
Will probably participate	29
Will probably not participate	11
Will definitely not participate	7
Do not know	8

Leading Party Reveals Its Postelection Manifesto

LD2209090594 Prague Radiozurnal Radio Network in Czech 0500 GMT 22 Sep 94

[Excerpts] Election rallies by political parties continued in Slovakia yesterday. Our special correspondent, Martin Dorazin, sent us this telephone dispatch from Bratislava:

[Dorazin] Prime Minister Moravcik's Democratic Union of Slovakia presented its postelection political manifesto in Banska Bystrica. The Democratic Union fundamentally opposes the replacement of parliamentary democracy in Slovakia with a presidential system. Let us add that it is first and foremost Vladimir Meciar's Movement for a Democratic Slovakia that is talking about introducing this type of system.

Jozef Moravcik said that the purpose of discrediting the head of state in the run-up to the election is to bring in a more authoritative regime.

The present finance minister, Rudolf Filkus, spoke about economic policy. He said that the Democratic Union intends to bring in a market economy as soon as possible, without seeking a third way. Filkus advocated restrictive macroeconomic policies, in particular in the budget sphere. [passage omitted]

And, in conclusion, here is a little curiosity from the rally held by the Communist Party of Slovakia, whose chances of making it to parliament appear to be very slim. [Former Foreign Minister] Bohuslav Chnoupek was one of the speakers to address the party's rally. At the Slovak National Uprising Square in Bratislava, Chnoupek took part in an organized autograph session.

Jewish Association Chairman Interviewed

94CH0407A Bratislava NOVE SLOVO BEZ RESPEKTU in Slovak 22 Aug 94 pp 8-9

[Interview with Dr. Pavol Traubner, honorary chairman of the Central Association of Jewish Religious Communities in the Slovak Republic, by Anna Lenicka; place and date not given: "There Is No Point in Tilting at Windmills"]

[Excerpt] [Passage omitted] [Lenicka] You have always sharply rejected the accusation that the Slovak nation was anti-Semitic. Well, you will surely permit the reminder that it would be ridiculous to close one's eyes to the real anti-Semitism that exists here.

[Traubner] I am known for my statements indicating that anti-Semitism in Slovakia is no greater than anywhere else in the world. Today I must stand corrected. I am beginning to have the feeling that anti-Semitism in Slovakia is increasing. Unfortunately, I have most recently become convinced of the fact that, within the framework of certain preelection manipulations that are, of course, highly vexing, anti-Semitic manifestations in Slovakia are beginning to multiply. This is not a fortuitous phenomenon, and I am not convinced that, in a democratic Europe, we shall make use of this phenomenon to "make a hole in the world."

[Lenicka] What were your feelings when you read the SNS [Slovak National Party] enclosure, which was published in SLOVENSKA REPUBLIKA toward the end of July, the logo of which was an eagle shown taking flight with the emblem of the Hitler empire?

[Traubner] No matter what method the officials and the publicists of the SNS use to sidestep responsibility for the content of this attachment, they are anti-Semitic. Like it or not, the "grain of wisdom"—"Today, in our country, it is difficult to live even if a person is not Jewish"—evokes anti-Jewish moods and is a clear manifestation of anti-Semitism. Recently, we were celebrating the 100th anniversary honoring V. Beniak, whom I had the honor of treating. I am very vexed by the fact that he wrote the poem published in this enclosure, a work that could have been concealed for years and no one was compelled to publish. We would have thought this individual was a poet "par excellence." But when, in his poem, he celebrated the "Hlinka Guard," which participated in loading Slovak citizens, mostly of Jewish descent, into cattle cars for the purpose of transporting them to concentration camps, without being compelled by anyone to do this, a celebration of the "Hlinka Guard" is a celebration of the fascist structure and a celebration of fascism, something our laws prohibit. Just for purposes of illustration: The news vendor who was delivering a copy of SLOVENSKA REPUBLIKA to me with the above-mentioned attachment (I do not know if he did it out of sympathy or because he was ridiculing me) greeted me with the words "En garde"! I had the impression that this clearly documents the kind of emotion that such articles bring forth in people. That is why I must voice not only my sharp protest but also the fear of how the spreaders of this type of idea could express themselves in the future with regard to democratic developments in this Republic.

[Lenicka] The fact that during the war we here in Slovakia had far more brutal laws regarding Jews than the Nuremberg laws speaks to extremism, responsibility for which does not diminish for politicians of that time,

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

much the same as is the case for current politicians. To what extent is this extremism transferable? Do you believe that our population contains 5 percent of citizens who would help the SNS get into parliament?

[Traubner] All extremism is harmful. I confess that I am not a voter for the SNS and will not even become one and that I am not disturbed in any way by the thought that it would achieve 5 percent of the votes cast because I believe in the democratic thinking of our people. I believe that, even if individuals or little groups of people harboring intolerant ideas get into parliament, there will be sufficient correct and responsible deputies there who will prevent any extreme manifestations from leading to any kind of repression or to situations for which, most certainly, no cultural, democratic society in the world will praise us.

[Lenicka] For the time being, we will have to wait for the prosecutor general to classify the offense committed by the SNS, but a number of legislators are making no secret of the fact that, within the meaning of our laws, the incriminating attachment constitutes sufficient reason for disestablishment of this party. Surely they are speaking "to your soul"?

[Traubner] Look here, I am a physician, and my very medical mission compels me toward mutual respect, decency, and tolerance, even though everything has certain limitations. I am convinced that the authorities active in criminal matters have a certain obligation to protect a citizen in this Republic without regard to his affiliation with any kind of minority or majority of an ethnic as well as a racial nature. I do not doubt the fact that authorities active in criminal affairs will do what the law prescribes for them to do in this regard.

[Lenicka] You refer to your profession. As a physician, you were surely occasionally forced to recommend even an operation to a patient. What would you solve with a scalpel in our political life, and what evils do you consider might require only a sedative?

[Traubner] I am not a surgeon and therefore do not use a scalpel. Naturally, I sometimes send my patients under the knife—something that many of our public affairs require. If I could, I would introduce an obligation to attend democracy school so that we would all realize that democracy is not anarchy, that it is not possible to violate the laws with the notion that, if there is democracy, everything is possible. I am convinced that even democracy definitely has its limitations. That is why I would radically order all nondemocrats to include democracy in the school curriculum. Second, I would attempt to inoculate all of our people with a certain amount of mutual tolerance, respect, something that is terribly lacking in our society.

[Lenicka] How do you perceive the fact that the overwhelming amount of anti-Jewish sentiment in our country is fanned by intellectuals and a portion of the journalistic community? For example, the pro-Meciar-oriented daily SLOVENSKA REPUBLIKA not so long ago published a few unappetizingly sharp statements from this barrel. And, if it is impossible to state that your association would tend to overlook this fact, should it not resort to more radical means?

[Traubner] There is no point in tilting at windmills. It is ridiculous and very often ineffective. But you are asking me specifically. I did respond to several articles by Drahoslav Machal, and I must answer by saying that the editor in chief of SLOVENSKA REPUBLIKA, which was at that time still called REPUBLIKA and which was the paper of our Central Association of Jewish Religious Communities, published these responses. Unfortunately, since that time, I have not received an answer, apart from a single private letter.

[Lenicka] From whom, if that is not a secret?

[Traubner] From Mr. Machal, who writes me to tell me how objectively and impeccably he informs the public about the Jews. Despite the fact that I carefully read clippings of Mr. Machal's articles both in the past and at present, I continue to find in them a multitude of invectives, nonsensical statements that, although they are not open statements, definitely are a picture of hidden anti-Semitism, bringing forth anti-Jewish sentiments among our population.

I am fundamentally opposed to collective guilt. I am not speaking of the nation, but of individuals. Individuals who make extreme statements or certain organized groupings are highly dangerous as a result of their dissemination of ideas that threaten democratic developments in this land. Their ideas remind me very much of the period of the 1940's, when similar ideas led to the development of fascism not only in Germany but also in Slovakia. That is why it is necessary to draw timely attention to these ideas and tendencies and to strongly oppose them and show that, in a democratic country, such ideas do not stand a chance because, if we do give them a chance, their ranks will multiply very quickly and that would be a tragedy—not a tragedy for some ethnic groups, but for the entire nation. If we fail to realize this in time and if the democratic stratum does not rise in opposition on a timely basis and fails to show to the extreme group that, thank God, is not very large that there are certain limitations, things will not end up to benefit this nation. It is necessary to realize the consequences to which all of this could lead.

Finance Minister's Lecture Reviews Fiscal Policy

LD2109143194 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 21 Sep 94

[Excerpts] A two-day international conference on Financial Institutions and Markets has begun under the auspices of Finex 94, the international fair of finance, banking, and insurance, which opened in Banska Bystrica yesterday. [passage omitted]

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Our correspondent Lubos Krno sent this telephone dispatch to us:

[Krno] [Passage omitted] Finance Minister Rudolf Filkus gave a lecture in which he analyzed the Slovak Republic's fiscal policy. He emphasized that the present government is continuing the process of transforming the Slovak economy, aimed at attaining a full-fledged market economy. At the same time, the end results are self-explanatory. For example, while last year's inflation rate in a comparable period was 23 percent, so far this year it has been only 13.5 percent. According to Rudolf Filkus, this rate should be sustained until the end of the year.

The level of foreign currency reserves has been developing positively, too. Last year we had $330 million, and this year so far we have $1.3 billion. These are the signs signaling an economic revival.

Speaking about the issue of public finance, Rudolf Filkus said that the biggest problem the government has been tackling in this sphere is the problem of the state budget deficit, which should not exceed 14 billion korunas [Sk] and which should not be more than 4 percent of the GDP. This deficit currently amounts to almost Sk14 billion, but, if we subtract from it the 151 million ECU's the Czech Republic owes us, the real state budget deficit amounts to only Sk8 billion. [passage omitted]

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Pataki Comments on Visegrad Group, Coalition

WS2109120094 Warsaw TRYBUNA in Polish 21 Sep 94 p 7

["Unauthorized interview" with Istvan Pataki, Hungarian deputy minister of foreign affairs, by Rafal Rastawicki; place and date not given: "Very Difficult Decisions"]

[Text] [Rastawicki] Polish Foreign Affairs Minister Andrzej Olechowski said the following about cooperation in the Visegrad Group: It is better when four countries speak together with one voice than separately. Czech Foreign Affairs Minister Josef Zieleniec, in turn, believes that the Czechs will join the European Union sooner if they do it by themselves. What is the stand of the Hungarian diplomatic service on this?

[Pataki] I must admit that your minister is correct. When we speak together, our efficiency increases. It is also true, however, that the Czechs express different opinions every now and then. Therefore, we are trying to cooperate, but it does not always go very smoothly in practice.

[Rastawicki] Do you think that the Czech stand will weaken the effectiveness of the Visegrad Group?

[Pataki] On certain issues we must speak together, because this is simply necessary.

[Rastawicki] How—now that four months have passed since the elections—would you evaluate this short period of the activity of Prime Minister Gyula Horn?

[Pataki] In terms of foreign policy, we are in favor of continuation...

[Rastawicki] What about relations with Romania and Slovakia, which are not very good?

[Pataki] Prime Minister Horn's visit to Bratislava and the Romanian foreign affairs minister's visit to Budapest are very good signals, and they reflect our intentions.

[Rastawicki] To what extent, do you think, have the demands of the Hungarian minority in Slovakia been implemented?

[Pataki] It is a long process which calls for constant discussions; however, we are of the opinion that these problems should be resolved in a peaceful and truly European manner.

[Rastawicki] Hungary is a dual leader—in terms of the amount of foreign capital invested in the country, on the one hand, and in per capita debt on the other. What is the most urgent task today?

[Pataki] Today our biggest problem is the budget deficit, which needs to be decreased by 50 billion forints. As far as foreign investment in our country is concerned, over the last five years we have received $5.2 billion...

[Rastawicki] The Horn government had considerable social support when it got down to work. On the other hand, however, many promises were made before the elections. What pro-social measures does the government envision?

[Pataki] We are about to face some very difficult decisions; this is why it is necessary to make a social pact. Talks are already under way, and I believe that we will have concrete results within just four months.

[Rastawicki] Prime Minister Horn's party was in an exceptionally comfortable position after the elections—it could practically form the government by itself. Nonetheless, it entered into a coalition with the Free Democrats. What is the cooperation like between them now? Is there not the complex of a kid brother of some kind?

[Pataki] The cooperation is just excellent. The coalition agreement, which was signed before the government was formed, guarantees partnership-like cooperation and this constitutes a sort of reference point.

[Rastawicki] Thank you for the interview.

Minister Presents Draft Supplementary Budget

LD2109205794 Budapest Kossuth Radio Network in Hungarian 0735 GMT 21 Sep 94

[Speech by Hungarian Finance Minister Laszlo Bekesi in the National Assembly in Budapest—live]

[Excerpts] Esteemed National Assembly. [passage omitted] This government bill is built on compromises which have been shaped with the intention of attaining a social consensus, and which serves the original aim of improving the economic balance and takes into account the limits, as well as requests, deemed to be important by our social partners. [passage omitted]

There are substantial reasons behind the government's desire to act; reasons which require quick and coordinated action. The situation that is the reason behind the preparation and submission of the supplementary draft forces us to act. Any delay or procrastination would cause further losses.

The Hungarian economy these days, despite the powerful process of transition, is struggling with a wide-ranging transformation crisis which the structural tensions, the functional hitches in the economy, the heightened financial difficulties, and the consequent financing problems aggravate even further.

This crisis is well illustrated by the unprecedented worsening of the balance of payments which occurred last year, and this tendency has continued this year. It is unparalleled in the whole of east central Europe to end the year with a current balance of payments deficit which is over 3.5 billion dollars, as we did in 1993.

The gap between GNP and final domestic consumption has grown fast—it has been 10 percent for the past two years. The deficit of the state finances has become

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

enormous and self-generating as a result of the fast growing domestic state debt. The financial situation of many enterprises and institutions have become shaky, the number of bankruptcies and liquidations is high. [passage omitted]

Goods and production capacity for viable export are in short supply, a large proportion of the merchant banks are forced to rely on further capital injection and operate with high costs.

In the microeconomy, unacceptable and unreliable business behavior is typical, corruption has become widespread, and the gray and black economy is expanding more and more. [passage omitted]

The results of the growth in the real economy are taking place mostly at the expense of a severe worsening in the balance of the economy. It is an undoubted fact that this worsening balance appeared not only before the growth or simultaneously with it, but regrettably it consistently goes hand in hand with it. All this signals clearly that the existing structure of the Hungarian economy cannot be judged suitable to build stable growth onto it. [passage omitted]

This year's economic growth is being financed by a growth in the country's foreign debt and the deficit in the state finances. [passage omitted]

Last year imports grew by 12 percent while in the first seven months of this year they have grown by 14-15 percent. The volume of exports last year decreased by over 13 percent while in the first seven months of this year they have grown by 12-13 percent. The gap between the volumes of exports and imports amounts to an annual two to 2.5 billion dollars.

It is mostly because of this and the huge deficit of the state finances—which cannot be financed from domestic savings—that in the first seven months of this year the foreign trade deficit is 2.1 billion dollars and that of the current balance of payments is 2.3 billion.

Since 1993, the inflow of working capital from abroad has also dropped significantly. Only 600 million dollars arrived in Hungary in the fist six months of 1994. [passage omitted]

Our external balances are deteriorating spectacularly as a result of all this. While between 1990-1992, our net debt decreased by almost three billion dollars, in the past 18 months it has grown by five billion dollars. [passage omitted]

This situation is not eased even by the foreign currency reserves which exceed six billion dollars. Although these reserves guaranteed the security of our short-term financing, they do not come from economic growth, but from the ever-growing issuing of state bonds and the taking up of foreign loans—under worsening terms. At this stage, the size of these reserves now depends exclusively on the confidence of the international banking system.

An essential part of the worsening external balance is the growing deficit in the state finances. Its ratio to the GNP, despite the presently proposed measures to reduce the deficit, will rise above eight percent. In 1990 this ratio was in balance. [passage omitted]

In the past four years, the volume of investments has decreased by 25 percent. This drop in investment and technical development explains why the competitiveness of our economy has not improved in recent years. The reduction in investments has been accompanied by a growth in consumption. The volume of public consumption decreased by 10 percent in the past four years while the GDP dropped by 20 percent. In the Czech Republic and Poland, which take stabilization seriously, these two indicators changed identically with each other. It is a particular tragedy that alongside this relative over- consumption, masses of people have become impoverished and sunk to the level of paupers as a result of decreasing production and disproportionate income distribution.

This year the situation has changed. Partly as a result of measures introduced by the previous government—like the wage increase granted to public employees, for example, or the reduction in personal tax obligations—and partly because of the wage increases far in excess of the agreements agreed to in the Interest Coordination Council (?by the entrepreneurs) real wages will rise by eight to nine percent in the first six months of this year and a six to seven percent this year overall. And all this alongside a maximum of one to two percent increase in GDP. In other words, the growth of income of the population unpaid for by any productivity or economic growth is at least five percent this year. [passage omitted]

The conclusion which may be drawn from an analysis of the situation is unequivocal. The processes which have started cannot be continued without correction: resolute stabilizing measures are necessary. This aim was served by, among other things, the devaluation of the forint in August and this 1994 supplementary budget which, to some extent, reduces the foreign and domestic deficit and puts some break on the further worsening of the balance of the economy.

However, the effect of these correcting measures is by no means sufficient. Stabilization, including the slowing down of a further growth in foreign debts and keeping the deficit of the state finances within strict limits, as well as the prevention of an increase in spending unpaid for by productivity growth, will remain the number one task even for the 1995 economic policy. Economic policy will also consider as a primary task the achievement of an increase in investment, in savings and in attracting capital and providing more decisive support for those areas of the economy where a breakthrough can be achieved and which can be made more dynamic; for example, in infrastructural development and agriculture. [passage omitted]

We cannot make sure that the excess purchasing power of about 100 billion forints—which is not in proportion

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

with performance—will not, at least partially, increase demand, inflation, imports and, consequently, indebtedness. By improving the budget deficit, we can filter out only about half of its effects from the economy.

I would not like to preempt the future debate on the 1995 economic policy and budget bill. However, I must dwell on one correlation. The relationship between stabilization and growth is in the focus of a heated debate. I have already mentioned in the introduction the dangers and harmful consequences of economic growth which takes place in a wrong structure. [passage omitted]

We are still in time at the moment. It is not only possible to stop deterioration but it is our duty, too. We do not have to be afraid of bankruptcy, but we have to act to prevent it, so that the country can really develop in the future.

Esteemed National Assembly, it is laid down in the bill on the 1994 supplementary budget that the net improvement in the balance of central budget will be about 50 billion forints. Out of this sum, 43.5 billion forints—partially in the form of obligations for payments to the budget—will reduce expenditure, while 5.5 billion forints will increase the planned revenue.

Without going into all the details, I would like to speak briefly about the program. The increase in revenue concerns two forms of taxes.

We propose that from 1 October, the level of itemized consumer taxes be raised by an average of 15 percent. Consumer prices will increase due to the tax rise by 0.2 percent in 1994, and by 0.8 percent in 1995. The proposed tax rise affects exclusively goods liable for excise duty which produce state revenue, that is alcohol and tobacco products, as well as fuels. This is a measure which has been brought forward, which makes it possible that in 1995, if there are no unforeseen events, there will be no need to adjust the consumer tax. [passage omitted]

Revenue from this in the current year will be four billion forints, and next year 16 billion. This tax increase is part of a medium-term program on tax changes, the essence of which is the gradual reduction of income and profit taxes and the increase of taxes on final consumption, primarily on private consumption. This is the explanation for the planned increase of general turnover tax. [passage omitted]

It is clear today that because of the huge deficit, the two ends of the VAT range can in the foreseeable future only be brought closer through raising the lower one. This is served by the minimal two percent rise of the 10 percent rate. We would gladly postpone this step until later, if we were able to make up from other sources in 1995 the 16 billion forints which we could attain from this. Unfortunately there is no chance that we could do this. A compromise was reached during the debate at the Interest Coordination Council, to the effect that it is proposed to introduce this step not on 1 October 1994, but on 1 January 1995. The zero- rate on medicines stays for the time being, and we do not plan further changes in 1995 in the rates for other groups of goods either.

We propose to change the personal income tax law on two points at this stage. One is to reduce at source from 10 to zero percent the tax on revenues from interest on forint and foreign currency revenue. This measure would further strengthen the stimulation of savings, and might contribute to a one to two percent reduction in the level of interest rates.

Effective 1 October, we propose to abolish investment tax relief on the purchase of state securities, which has originally been granted for this year. This was a mistaken scheme in the first place, which gave preferential treatment to state securities in competition with other securities. [passage omitted]

We also propose to amend the law on duties. Our aim is that local governments and the central budget should receive revenue from the acquisition of properties faster than happens now. Owing to property registrations, which often take years to be completed, it takes years to actually receive these revenues. [passage omitted]

The planned scheme of advance payment of duties tries to eliminate these anomalies and is in concord with the duty's original aim and with the Penal Code.

Esteemed National Assembly, the group of planned amendments to separate state funds is a separate block within the corrective package. They reduce decentralized funds earmarked for 1994 by 16.4 billion forints. The majority of funds—which have spread ever so fast—function contrary to their original aims. [passage omitted]

As a result of a quick revision, we propose the reduction of support—or an obligation of payments to the budget—where the 1994 resources are not entirely tied up, or where a reduction or rescheduling of tasks could lead to savings. The fate of privatization revenue with which certain funds have already calculated is a separate matter.

The practice of spending a part of privatization revenue on current expenditure—in fact state tasks—can be strongly criticized. For this year the budget has undertaken a guarantee to pay even those privatization revenues which will not be realized. This would have led to an extra burden of about 10 billion forints on the budget for the benefit of decentralized funds. We propose the abolition of this guarantee. [passage omitted]

However, projects already underway will not be stopped by the abolition of this state guarantee in any case. [passage omitted]

In line with the government program, we attribute great significance to the development of agriculture and the improvement of its functioning. In this spirit, in the framework of the package on the improvement of the

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

budget balance, we propose an increase of support to agriculture by almost 12 billion forints. Most of the extra money will subsidize increasing agricultural exports or is intended to create safe financial conditions for the purchase of agricultural products.

As I mentioned in my introduction, about 22 billion forints—which amounts to almost 90 percent of the 25-billion-forint budget reserves planned for 1994—has already been spent or tied up by the previous government. [passage omitted]

Due to the nature of most of the undertakings—such as wage increases, supports which have already been spent—there is no way we could propose their significant reduction.

Esteemed National Assembly, the proposed changes affect the budget of the central budget-run organizations. In this sphere we propose a reduction of supports by 13 billion forints and an obligation to pay their own revenue to the tune of two billion forints. [passage omitted]

The package of measures affects the central investments allocations. The reduction amounting to 4.6 billion forints covers those projects whose implementation requires no payment this year or where the work has not started yet. These projects will be staggered to 1995, at least some of them.

Alongside the cuts, we shall form a reserve fund of 1.5 billion forints to compensate old age pensioners and those on income support for the electric, gas, and central heating price rises which will be introduced in the fourth quarter of 1994. We shall also set aside a reserve fund of 500 million forints for the severance payments which may arise following possible staff reductions. We shall also take care that the higher price of imported medicine should not burden the citizens this year. [passage omitted]

Esteemed fellow deputies—our aim with this bill is clear: to reduce the damage, put a brake on deterioration, and improve the conditions for starting next year which is burdened by heavy tasks as it is. On behalf of the government I am asking the house to debate and adopt this draft 1994 supplementary budget law.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Assembly Meets To Discuss New Constitution

LD2109151294 Warsaw PAP in Polish 1408 GMT 21 Sep 94

[Text] Warsaw, 21 Sep—Today at 1600, Sejm Speaker Jozef Oleksy will open a meeting of the National Assembly—that is, both the Sejm and the Senate. The task of the Assembly will be to prepare and adopt the new constitution.

The meeting will be attended by President Lech Walesa.

Before debating the constitutional issues, the National Assembly will elect 16 secretaries and discuss its rules and regulations. Earlier, parliamentary floor groups already moved for the appointment of a 34-person committee to prepare draft rules and regulations.

The agenda of the first session of the National Assembly, which is to last until Friday, provides for the first reading of all seven of the draft constitutions that have been submitted.

Dziewulski 'Being Groomed' as Intelligence Chief

WS2209102794 Warsaw GAZETA WYBORCZA in Polish 22 Sep 94 p 2

[Article by MZ and Kes: "Dziewulski to Intelligence"]

[Text] "Democratic Left Alliance [SLD] Deputy Jerzy Dziewulski is being groomed as chief of the intelligence services of the Office of State Protection [UOP]," Kazimierz Iwaniec, another leftist deputy, declared on 20 September.

Asked by the Leftist Veterans Club in Slupsk whether Dziewulski would also come to Slupsk, Iwaniec replied: "No, he will not because he is busy talking about filling the post vacated by Marian Zacharski." Dziewulski refused to comment on the information yesterday.

One of the SLD leaders confirms that Jerzy Dziewulski is one of the SLD's candidates to be Zacharski's successor. "Nevertheless, we also discussed other candidates, and the final decision has not yet been made," he added.

The idea that a politician-director should head the intelligence services through two professional, experienced intelligence officers, ossibly officers who served outside of Poland, is also supported by Internal Affairs Minister Andrzej Milczanowski. UOP Chief Gromoslaw Czempinski is against the idea.

Deputy on Differing Views About State Secrets

WS2209112594 Warsaw TRYBUNA in Polish 22 Sep 94 p 2

[Interview with Democratic Left Alliance Deputy Janusz Zemke by Ewa Rosolak; place and date not given: "Did the President Know?"]

[Text] [Rosolak] On 20 September, you informed the public about the letter forwarded by National Security Office [BBN] head Henryk Goryszewski to Sejm committees on 1 September. Why exactly did you decide to reveal that information?

[Zemke] The letter is neither confidential nor secret. Thus, there is no reason that its content should not be made public. One should know that, when the discussion in the Sejm on the state secret law entered its final stages, an official position was also taken by Minister Henryk Goryszewski, BBN head and secretary of the National Defense Committee. In a letter that he forwarded to the chairpersons of three committees (Justice, Administration and Internal Affairs, and Legislative) the minister expressed not only the great concern raised by the attempts to liberalize the regulations governing state secrets, but also the conviction that the Sejm will prevent these regulations from being excessively liberalized.

We treated this opinion very seriously because Minister Goryszewski made a statement on issues of national security, and he did so as head of the BBN—that is, head of an organ subordinated to the president. Now, in line with the Constitution, the president's powers are of a very special nature here.

[Rosolak] Mr. Deputy, it is worth recalling, however, that another aide to the president, Professor Falandysz, keeps saying that Lech Walesa will most probably not sign the law on state secrets.

[Zemke] This variety of statements coming from state ministers is an interesting topic to debate in a discussion on the limits of political cynicism. Personally, I am thinking about the reasons that one presidential official points to the restrictiveness of this law and another expresses the hope that Sejm deputies will not allow it to be too liberal.

Therefore, I do not know why the president may not sign this law. Is it because it is too liberal or too restrictive?

[Rosolak] Do you think Minister Goryszewski consulted with the president about his letter?

[Zemke] I am really not the one to answer that question.

[Rosolak] The law on state secrets met with opposition not only in journalists' circles but also in the Polish Board of the PEN Club and the Helsinki Committee. This bill was first conceived a long time ago, but it is the deputies of this Sejm who decided to dot the "i" and limit the rights of the "fourth authority." Why?

[Zemke] I do not think that the intention of the law is to treat journalists poorly or to make it impossible for them to obtain information. Only one issue is truly controversial: the publication of information that is secret—whether journalists can publish such information with no limits, or, as the BBN had wanted, they cannot do so without being subject to punishment. Now, perhaps we should think about such a correction to the regulations that will make it possible to publish secret information in

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

two instances: if the information signals that the law has been violated, or if it may prevent a violation of the law.

[Rosolak] The Sejm did not approve of such a correction.

[Zemke] It can only be done by the Senate or the president.

[Rosolak] I am afraid that we must simply agree to differ on this issue. All the same, thank you for the interview.

Center Accord Head Views Presidential Election

WS2209111694 Warsaw ZYCIE WARSZAWY in Polish 22 Sep 94 p 2

[Article by RK: "Presidency: Kaczynski on Candidate—PC: Strzembosz Best; Certainly Not Walesa"]

[Text] "By no means will it be Lech Walesa," this is how Center Accord [PC] President Jaroslaw Kaczynski began his press conference devoted to the right wing's candidate for president. He also added that, in the Alliance for Poland [PdP] (a coalition of five rightist parties, one of which is the PC), such an opinion dominates.

According to Kaczynski, the candidate should be able to attract as wide a portion of the "post-August Poland" camp as possible. This is why it must be a person from outside the traditional political configurations.

The PC leader admitted that, in the PdP, as well, there appear trends to promote a given party's candidate.

"This parochial interest can only be detrimental," he argued. "It will help Kwasniewski win."

The PC believes that the fundamental characteristic of a presidential candidate should be his impeccable past. Second, he must guarantee observance of the law, as well as rejection of the "pathology of the present presidency"—among other things, "unclear connections, involvement in the affairs of special services."

When asked by journalists, Kaczynski admitted that, as far as public personalities are concerned, the man who satisfies these requirements to the greatest degree—100 percent—is Supreme Court First President Adam Srzembosz. He added, however, that Strzembosz is not yet the PdP candidate.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Statement Greets U.S. Efforts in Haiti

AU2109130094 Bucharest Radio Romania Network in Romanian 1000 GMT 21 Sep 94

[Text] Today Romania's Ministry of Foreign Affairs published a statement greeting the U.S. administration's efforts to defuse the situation and find political solutions for the crisis in Haiti.

The success of that action, which is based on UN Security Council resolutions, create the conditions for the speedy and peaceful reinstallment of democracy, law and order, and the observance of the fundamental human rights and liberties.

Romania's Ministry of Foreign Affairs continues to closely watch the development of the situation in Haiti, the statement concludes.

Iliescu Receives Moldovan Opposition Leader Matei

AU2109122494 Bucharest Radio Romania Network in Romanian 1000 GMT 21 Sep 94

[Text] Romanian President Ion Iliescu received a delegation of the Democratic United Congress of the Republic of Moldova [CDUM] at Cotroceni Palace today. The delegation is led by Deputy Valeriu Matei, president of that political grouping. The guest told our correspondent that, in his party's view, relations between the two countries are less intensive now than two years ago, as a result of the decisions made by the parliamentary majority in Chisinau to reestablish the old Soviet precepts on the linguistic and national identity of the Romanians living on east bank of the Prut River and following the failure to promote certain vital economic measures for the Republic of Moldova to end its dependence on the Eastern area and promote its economic integration with the homeland.

Valeriu Matei said that the relations should be maintained and developed in any event, because regardless of who may be in power in Chisinau the important thing is that there are several million Romanians beyond the Prut River who are now regaining their identity and are returning to the national culture and spirituality, a process that cannot be stopped.

Regarding the Ilascu group [Moldovan detainees in Dniester], Mr. Matei said that it is necessary to keep bringing up the issue of the political detainees of the fascist-communist regime in Tiraspol, as he termed it, to the attention of the public at large. He said that there are enough forces in Chisinau itself that do not wish the release of Parliament deputy Ilie Ilascu. Mr. Matei expressed the hope that the efforts made by Romania, the international community, and the Romanians in Bessarabia will bring about the release of Ilascu and the other political detainees of the puppet regime in Tiraspol.

The meeting was attended by the CDUM vice presidents, by Mr. Oliviu Gherman, president of the Romanian Senate, and by Senators Ioan Solcanu and Sergiu Nicolaescu.

Iliescu Discusses Relations With Hungary

AU2209072894 Bucharest Radio Romania Network in Romanian 1900 GMT 20 Sep 94

[Interview with Romanian President Ion Iliescu by unidentified correspondent of the Romanian section of Budapest Radio; in Bucharest on 20 September—recorded]

[Text] [Correspondent] My first question is: Did you talk to Foreign Minister Melescanu before he left for Budapest and after he returned home? If so, what did you discuss with him?

[Iliescu] We talked both before and after his visit. Before he left, we discussed the mandate with which he left for Budapest, and I emphasized the idea of our full opening, considering the new elements that have emerged lately in the new government in Budapest's policy regarding our bilateral relations. We also discussed both country's perspectives regarding finalizing the basic treaty between us and, generally, in establishing a climate of openness in relations between our countries.

After he returned, we found that his visit had been useful and the atmosphere in which the talks were held had been relaxed and amiable, which is encouraging for relations between our countries. I appreciated this.

[Correspondent] Are you familiar with the package of demands of the UDMR [Democratic Union of Hungarians in Romania], which, in the opinion of that party, should be included in the basic treaty?

[Iliescu] The issues raised by the UDMR refer to relations between the Hungarian ethnic minority and the Romanian state. Therefore they cannot be the object of a treaty concluded by two neighboring states. In treaties between neighboring states one can only spell out a few principles—generally-held principles in Europe regarding human rights and liberties, in particular. This is entirely feasible. Issues regarding the internal organization and domestic relations of the state with its own citizens are the internal affairs of each state. We cannot tell others what we are ready to accept and, in the same way, neither can others tell us what they would accept. As a matter of fact, you may know that France, for instance, does not even recognize the ethnic minority concept. There the fundamental principle of the organization of citizens' relations with the state is the principle of citizenship. Regardless of the origins of the persons, of the citizens, their status as French citizens makes them Frenchmen, although they might have come from Senegal or some other country. However, the concepts that have developed in our country, in this region, are different, and we are taking our conception into account.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Furthermore, our custom with respect to minorities has special connotations, which one cannot say about Hungary, for instance. In Hungary there is no stipulation saying that all ethnic minorities should have representatives in the parliament of the country. In Hungary there is no education in the mother tongue of the ethnic minorities. Romanians there are not educated in the Romanian language. Romanians have a single secondary school in which the only subject taught in Romanian is the Romanian language. But that is the internal affair of the Hungarian state, of its relations with its own citizens. We cannot dictate that the Hungarian state adopt Romanian practices and adapt them to circumstances in Hungary.

Considering all this, the issues that have been raised by the UDMR are things to be discussed with Romanian authorities, with Romania's Parliament, with the Romanian Government, and they cannot be the object of interstate treaties.

[Correspondent] There are favorable chances for the conclusion of the basic treaty. You know, I presume, that the Hungarian Government has stated that it will declare that it has no territorial claims with respect to Romania, as Mr. Gyula Horn has asserted several times. However, the Hungarians want the treaty also to include a special chapter dedicated to the rights of ethnic minorities. In connection with this chapter, the Hungarians will take into account the views of the representatives of ethnic Hungarians living in Romania. Under such circumstances, do you believe that the basic treaty will still be signed?

[Iliescu] I believe that we will be able to find an adequate formula that will conform with the interests of both countries and better approximate the views of the two governments in an interstate document which, as I have already said, should spell out the principles on the basis of which the civic rights of ethnic minorities can be established. Actually, this would be in alignment with European principles, and I see no problem with it.

[Correspondent] How do you account for the fact that dignitaries of a party that is a member of the government coalition—I am referring to Mr. Funar [chairman of the National Romanian Unity Party—PUNR]—publish open letters that offend ethnic Hungarians and wreak panic among them? Or take the latest speech of one of the Ministry of National Defense officials who said that there are secret plans to repress a possible revolt of ethnic minorities.

[Iliescu] I do not believe that a state official could make such assertions.

[Correspondent] I was referring to a state secretary called Gheorghe [as heard] Pascu .

[Iliescu] I have not heard about this. I would be surprised if Pascu really made such assertions.

Regarding Mr. Funar's statements, that is a matter that directly and personally concerns him alone. I [words indistinct] he often makes statements that do not even represent the views of his own party; for which he has been denounced by his own party. However, he was not referring to ethnic Hungarians, but rather to the stance adopted by the UDMR as a political organization. As you see, things are somewhat different, and the statements do not coincide in any way with the official stance of the state or the government, and sometimes not even with that of his own party.

[Correspondent] What is your opinion on the usefulness of meetings organized here, in Romania, for foreign radio station correspondents also broadcasting in Romanian.

[Iliescu] I see it as an opportunity for radio professionals broadcasting in Romanian to meet, to exchange information. They are also beneficial, since you are professionals, because they offer you the opportunity to learn more directly about reality in Romania, which is reflected in the activity of those radio stations. Finally, I find them useful because you have the opportunity to communicate in the Romanian language about your activities. So that everyone working for such institutions can engage in a dialogue.

[Correspondent] A final question: What do you believe should happen—should all these post-socialist states, in the process of integration, which is so often mentioned nowadays, choose their own way, or should they rather.... [correspondent pauses] I am referring to the Visegrad group. Should they take separate initiatives or proceed jointly?

[Iliescu] Each country is going its own way. Look at the already integrated West European countries. Look at Sweden. All right, Sweden is not included, but still, no Scandinavian country resembles Italy. England does not resemble Spain. I mean, each country retains its specific features which come from their traditions, from the level they reached in their own development, and from other specific features, such as the character, the socio- psychological traits of their populations. If you wish, this is precisely what Premier Major said, namely that united Europe will still be a Europe of nations, in which each of them will preserve its own characteristics. So this is how I would approach this issue.

However, as I have already said, both bilateral and multilateral regional cooperation, both in the restricted and the more wider sense, is a prerequisite for the development of each and every country. Today no one can conceive of national development without taking into account what is happening in such and such a region, on the continent, or in the world. This is why one should look for channels to interrelate and integrate into regional, European, and world systems. All of these are interconnected and obligatory for everyone.

[Correspondent] Could I ask one more question?

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

[Iliescu] All right.

[Correspondent] You have just signed a treaty with Armenia.

[Iliescu] We signed it this afternoon.

[Correspondent] What is the importance of that treaty and what is your assessment of the other hotbeds in regions where armed conflicts are taking place?

[Iliescu] Regarding the treaty, we are trying to establish at the basis of our relations with various states a juridical framework regulating those relations. The treaty concluded with Armenia is such a juridical framework offering us the opportunity to diversify and further relations between our countries which, were it not for the Black Sea, could be considered neighboring countries.

Regarding the real possibilities of futhering those relations, currently that depends on the elimination of the sources of conflict that prevent the development of our relations. For instance, currently Armenia is practically blockaded due to the conflict situation in Nagorno Karabakh, which is due to its relations with Azerbaijan, which also affects its relations with Turkey. The events in Abkhazia, Georgia have created problems for their access to the Black Sea and to the north. Thus Armenia is currently under blockade, both economically and otherwise. Therefore the settlement of such conflicts and the normalization of the situation is a vital issue for the relations of that state with its neighbors and other countries located further away. So we are genuinely interested in the establishment of peace in that region.

The same goes for Yugoslavia, which neighbors both our country and Hungary; all the countries neighboring it are interested in finding a political, peaceful, solution to that conflict, in the normalization of the internal situation in Yugoslavia and the normalization of its relations with its neighbors. So that communications could be ensured in the future, so that transportation routes, economic ties, could be developed on the territory of Yugoslavia, along the Danube River, and so on.

Thus, the settlement of the conflict situation is a prerequisite for normalization and the furthering of relations among states.

[Correspondent] Thank you very much.

[Iliescu] My pleasure.

Iliescu Interviewed About 13 Sep Message, Health

AU2209101594 Bucharest ROMANIA LIBERA in Romanian 14 Sep 94 p 3

["Exclusive" interview with Romanian President Ion Iliescu, by Dorina Baesu, Ana Maria Vintan; place and date not given: "I Do Not Anticipate Anything"]

[Text] [ROMANIA LIBERA] Was your appeal in favor of boosting privatization intended to be a signal for Prime Minister Vacaroiu?

[Iliescu] No. It was a signal for Parliament, because the government has already assumed responsibility and now it is requesting authorization from Parliament to expand its attributions in that domain.

[ROMANIA LIBERA] In the message you presented you have set pro-Western accents. By doing so are you trying to smooth your way to the United States, where you will meet Bill Clinton?

[Iliescu] I do not know what pro-Western accents mean. My accents are pro-Romanian. Our opening is intended for the entire world.

[ROMANIA LIBERA] Do you not think that your message should have been debated, as requested by the opposition?

[Iliescu] According to our constitutional structure, presidential messages have a different nature and role. They are not reports made to Parliament, which ought to be submitted to debate. Debates should have concrete goals. This was not the case.

[ROMANIA LIBERA] How would you comment on the way they received you in Parliament? [reference to the fact that opposition parliamentarians did not stand up when Iliescu entered the hall, whereas members of the majority did]

[Iliescu] It was as it has always been. I am not surprised by such things because my training is already quite solid. Today I remembered the CPUN [Provisional Council of National Unity—the first leadership body set up during the 1989 December events] meetings. Compared to those times, there has been some progress.

[ROMANIA LIBERA] How did you interpret the concern of the press and political personalities over your health condition?

[Iliescu] I interpreted it as a malady of the press and the scandal-loving people, who would invent anything. Can they not see I am all right?

[ROMANIA LIBERA] If the presidential institution had been more open, no one would have jumped to any conclusions.

[Iliescu] What do you mean, open? I have had problems with my gallbladder since I was 30 years old. This meant that I had to keep a certain balance, to be on a diet. I even had a crisis at a certain point, just last year. At that time they found that no surgery was needed. So we have been treating it with medicines. This year I had another crisis. It was me who decided in favor of surgery right then, in the first phase.

[ROMANIA LIBERA] We know that you did not consent to the PUNR's [National Romanian Unity Party] joining the government.

[Iliescu] The PUNR is a party that has cooperated with the government. Its joining the government was not an

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

essential issue, one that would have meant the alteration of the government spectrum. However, it is true that in the beginning I opposed it, because of the image the PUNR had abroad.

[ROMANIA LIBERA] Do you anticipate that the PRM [Greater Romania Party] and the PSM [Socialist Party of Labor] will also join the government?

[Iliescu] I do not anticipate anything.

Army Denies Having Secret Plan for Ethnic Unrest

AU2109132294 Bucharest EVENIMENTUL ZILEI in Romanian 19 Sep 94 p 4

[Army Press Bureau release: "The Ministry of National Defense Has No 'Secret Plan' of Intervention in the Event of Ethnic Conflict"]

[Text] Regarding the article "Defense Ministry Secretary of State Mircea Pascu Reveals the Existence of Secret Plans To Respond to Possible Violence Unleashed by Ethnic Minorities," published in the 17 September 1994 issue of EVENIMENTUL ZILEI, the Army Press Bureau states:

"During the parliamentary seminar on minorities [the Parliamentary Colloquium on Central Europe and Its Ethnic Minorities, held in Bucharest 15-16 Sep], Secretary of State Ioan Mircea Pascu put forward an exclusively theoretical proposition, in English, about the way in which the military generally relates to ethnic matters. The "conclusion" that the Ministry of National Defense had so-called "secret plans" to intervene in the event of an outbreak of ethnic conflict is a tendentious and speculative interpretation made solely by the author of the article and is at variance with the reality."

The editorial board regrets this misunderstanding and notes that the report was taken from the MEDIAFAX agency, to which the Army Press Bureau release should actually be referred. In its 1700 hours [1400 GMT] newscast on 17 September, Radio KOSSUTH hastened to report that "the Ministry of National Defense has a service specialized in combating provocations caused by ethnic groups."

Opposition Cancels Vacaroiu Privatization Meeting

AU2109140094 Bucharest Radio Romania Network in Romanian 0400 GMT 21 Sep 94

[Text] The Democratic Convention of Romania [CDR] has canceled the meeting it was scheduled to hold today with Prime Minister Nicolae Vacaroiu to discuss the government's mass privatization program. The cancellation came as a protest against the executive's decision to set preconditions as to the composition of the CDR delegation, with direct reference to the representatives of the PL '93 [Liberal Party], Messrs. Dinu Patriciu and Raymond Luca, whom the executive accuse of having gravely offended its members.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Krajisnik Threatens UN if Sanctions Lifted

LD2109144894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1335 GMT 21 Sep 94

[Text] Jagodina, Serbia, 21 Sep (TANJUG)—Momcilo Krajisnik, president of the Srpska republic assembly, said today that the Srpska republic would demand the departure of UNPROFOR [UN Protection Forces] if the UN Security Council tightens the sanctions against the Serbs in the former Bosnia-Herzegovina and if the embargo on the import of arms to Muslims is lifted.

"We have no special interest in the UN forces staying in this region because on several occasions they actively helped the Muslim side, and if the sanctions are tightened and the arms embargo is lifted, we would have even less reason for wanting them to stay," Krajisnik told Jagodina Radio.

He also announced that representatives of the Srpska republic and the republic of Serb Krajina [RSK] would tomorrow discuss "conflicts and misunderstandings" frequently occurring at border crossings between the two republics.

"The misunderstandings have been caused by the people who are importing goods with documents alleging that they are for the RSK, and thus dodging customs duties and taxes," Krajisnik said.

"We will explain this tomorrow because we do not want to cause a rift between the Srpska republic and the RSK, especially considering the fact that the RSK has found itself in an even worse situation than are we, and we do not want to exacerbate the situation further by any moves on our part," the president of the Srpska republic assembly said in conclusion.

'Ideological Disagreements' With FRY Examined

AU2109113294 Belgrade BORBA in Serbo-Croatian 20 Sep 94 p 2

[Unattributed interview with Momcilo Krajisnik, chairman of the Srpska assembly; place and date not given: "Essentially Ideological Disagreements"]

[Text] [Unidentified reporter] Have you had any contacts with the political leadership of Serbia, Montenegro, and Yugoslavia since the referendum, and what is their position today?

[Krajisnik] My answer will be short. There have been no contacts with any official representatives of Serbia, Montenegro, or Yugoslavia.

[Unidentified reporter] When did the rift between the political leadership of RS [Srpska republic] and Slobodan Milosevic in fact start, and what is the essence of this disagreement?

[Krajisnik] After our last meeting in Serbia, and after which we received letters and criticisms, we parted in a pleasant atmosphere. We did not even suspect that anything like this would happen. There was not even an indication that something like this could happen. Our relations were good and we closely cooperated with regard to the maps and everything else. Now, when we think about it, an analysis would probably reveal that differences in views in certain spheres did exist, and that ideological disagreements form the essence of all this. I personally was involved in an unpleasant dispute because of a similar statement I made after meeting members of the initiative committee of one chetnik organization. I said that we were in favor of national reconciliation and bridging of the rift between the chetniks and partisans. I was told by the political leadership of Serbia that there is no forgiveness and reconciliation.

UN Reports Serbs Removing Arms From Sarajevo

AU2109165494 Paris AFP in English 1627 GMT 21 Sep 94

[Report by Jon Boyle]

[Excerpts] Sarajevo, Sept 21 (AFP)—Bosnian Serbs Wednesday [21 September] began fulfilling a pledge to remove banned arms out of the Sarajevo heavy weapons exclusion zone, as the capital entered a second week without water and electricity.

UN Protection Force spokesman Major Herve Gourmelon said the Serbs had withdrawn half a dozen weapons systems from the 20-kilometre (12.5-mile) total exclusion zone (TEZ).

"It is going on. It will take until Friday. Five or six systems have been removed," he said. [passage omitted]

Meanwhile Sarajevo marked its first full week without water and electricity as the first snowfalls were reported on Mount Igman, the heights which dominate the southwestern approaches to the besieged Bosnian capital.

As expected, a meeting at Sarajevo airport between senior Serb and Bosnian government engineers and UN officials failed to produce concrete progress towards ending the outages.

UN officials here have stressed for days that the necessary repairs to power lines would only take hours to complete once Serb political leaders gave the green light. [passage omitted]

Talks With UNPROFOR on Sarajevo Adjourned

AU2209120294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 22 Sep 94

[Text] The talks on the cease-fire around Sarajevo, the demilitarization of that area, and the normalization of life in the Bosnia-Herzegovina capital that were held yesterday between Alija Izetbegovic, president of the Presidency of Bosnia-Herzegovina, and Sergio de Mello, head of UNPROFOR's [UN Protection Forces] civil sector for former Yugoslavia, continued today in the Bosnia- Herzegovina Presidency.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

In addition to President Izetbegovic, the talks were attended by presidency member Ejup Ganic and Army General Rasim Delic, commander of the Bosnia-Herzegovina Army Supreme Command. The UNPROFOR delegation, which was headed by Sergio de Mello, included (Andrei Subiru), commander of UNPROFOR for Bosnia-Herzegovina, and his successor General (R. V. Gobiar).

The participants decided to continue the talks later today or tomorrow, after UNPROFOR holds talks with representatives of the Serbian aggressor.

Serbs Link Sarajevo Energy to Brcko Repairs

AU2109154194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 21 Sep 94

[Text] A meeting was held today at Sarajevo Airport between the technical crews of the legal authorities of Bosnia-Herzegovina and the Serbian aggressor side on restoring the electricity, water, and natural gas supply to Sarajevo. This was announced today at the UN Protection Forces [UNPROFOR] Headquarters in Sarajevo.

The UN representatives did not wish to comment on the statements made last night by the aggressor's officers, who said that the restoring of energy supplies to Sarajevo was contingent on the repair of damaged electrical and water installations in the [Bosanska] Posavina corridor and eastern Bosnia, but they did not show particular optimism over the outcome of today's meeting.

We have learned at UNPROFOR Headquarters just prior to the beginning of the newscast that the meeting at the airport has ended without any positive results. However, it was stated that a new meeting would be set up as soon as UNPROFOR Civilian Sector head Victor Andreyev has talked to the leadership in Pale.

'Joint Aggressors' Launch Attacks in Bihac Area

AU2209110094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 22 Sep 94

[Report by Mirza Sadikovic]

[Text] The joint aggressors carried out bestial attacks on the defenders' lines and civilian settlements in the Bihac region all night last night. Since midnight, Karadzic's chetniks have been trying to breach our lines on the Srbljansko-Grmuski plateau, but these attacks were repelled. Using 82-mm and 120-mm mortars and tanks, the chetniks continued to pound the area around Buzim. The attacks from the UNPA [UN Protected Areas] did not stop either. From there, the chetnik shelled the settlements around Kladusa and Buzim and the defense lines.

This morning, the enemy on the Bosanska Krupa and Otoka fronts was seen regrouping its forces and bringing fresh men and hardware. This confirms [words indistinct] the theater of operations of the 5th Corps and the UN protection zone.

'Intensive' Serb Helicopter Traffic Reported

AU2209084894

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 22 September carries within its regular 5-minute newscast the following account of the combat situation in the republic:

According to an unidentified correspondent from the Press Center of the 3d Army Corps, the "target of the chetniks' heavy projectiles yesterday was Zavidovici. The consequence of this attack is enormous material damage. One civilian was killed and several wounded. There was no peace on the Vozuca part of the front either. Our fighters were subjected to provocative fire from infantry and antiaircraft weapons yesterday and overnight."

Brcko correspondent Hamid Deronjic reports that the "Serbian aggressor stepped up provocative fire on the Brcko front overnight. The central part of the Brcko defense was targeted with the enemy mortars and grenades. Our positions were also attacked by the aggressor's tank on several occasions."

According to correspondent Kreho Mujic, "in the 6 Istok Operations Group theater of operations, the Serbo-chetnik aggressor, in addition to the usual provocative fire from infantry and antiaircraft weapons, also used artillery. On the southeast part of the Kladanj front, in the region of (?Srednji), the aggressor fired 120-mm mortars. From the direction of the village of Cudi it fired 105-mm howitzer." Mujic also reports that "last night, there was intensive helicopter traffic between Sehovici and Majevica and vice versa. There was a total of 16 flights." Concluding his report, he says that "this morning the chetniks fired two heavy projectiles on the town of Kladanj, thus announcing yet another grave day. We have not been able to find out what the consequences of this latest madness were."

According to the studio announcer, "the enemy's combat activities on the Sarajevo front last night mainly amounted to provocative light arms fire on the town's defenses."

'Brilliant Military Victory' for 5th Corps

AU2109205294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 21 Sep 94

[Report by Nedim Nusret from the Buzim Information Service]

[Text] [Studio announcer] A meeting was held in Buzim today attended by the Command of the 505th Chivalrous Motorized Brigade, representatives of the municipal branch of the Party of Democratic Action in Buzim, the Association of the Buzim Local Communities, and the Buzim Civil Defense Headquarters. The topics under discussion were the military operations in the brigade's theater of operations, the latest chetnik offensive Breza

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

'94, and an analysis of the military, political, and security situation. Nedim Nusret reports.

[Begin Nusret recording] It was stressed in the analysis of the chetnik offensive that it was a key operation of crucial importance for the so-called Srpska republic, as was confirmed by chetnik documentation and archives that have fallen into the hands of the Bosnia-Herzegovina Army. The operation was [words indistinct] the general staff of the so-called Srpska republic army headed by its commander, war criminal Ratko Mladic. The main operations in the 505th Chivalrous Motorized Brigade theater of operations were carried out on the Radac, Perkovaca, and (?Nedica Glavica) routes. The operation's objective was to enter Buzim, cut off the free territory in the Bihac municipality, and penetrate further after destroying the 505th Chivalrous Motorized Brigade and other 5th Corps units. The chetnik attack was thwarted and the offensive halted in a decisive counterattack carried out by our forces, in which the aggressor suffered a true debacle, his most convincing military defeat so far. Over 100 chetnik troops were killed in the process, and the spoils of war this time have been the largest so far: one tank, 57-mm Zis antitank guns, mortar batteries, [word indistinct], vehicles, large amounts of ammunition, grenades, and more besides. An immense amount of the enemy's material-technical equipment was destroyed—including three tanks—while the free territory has been significantly extended and all the strategically important points are now under our control. The report was then jointly assessed by all the parties present, who said that this was a brilliant military victory, and one of the (?enemy's biggest defeats in which he has been decimated). The members of the 505th Chivalrous Motorized Brigade were commended for this great success and the [words indistinct].

The military, political, and security situation was assessed as being extremely complex and calls for the maximally responsible engagement of all the authorities in the Association of the Buzim Local Communities to ensure that the current situation is maintained and further improved [words indistinct].

Bosnian Serbs Report Teslic, Sarajevo Attacks

LD2109222094 Belgrade TANJUG in English 2202 GMT 21 Sep 94

[Text] Belgrade, Sept. 21 (TANJUG)—The Bosnian Serbs new agency SRNA has said that Muslim artillery shelled the town of Teslic in northern Bosnia-Herzegovina on Wednesday afternoon.

Teslic has been put on the alert against the danger, and the people are in shelters, SRNA said.

Bosnian Serb army sources have given no information about possible casualties by Wednesday night.

On the Sarajevo front, Muslim forces resumed attacks in all sectors of the front, SRNA quoted Bosnian Serb army sources as saying.

The Bosnian Serb army command in the Sarajevo district of Lukavica said that Muslims had been opening strong fire from small arms on Bosnian Serb positions at Odzak, in the northern sector of the Sarajevo front.

Bosnian Serb positions were subjected to sniper and small arms fire also on Mt. Trebevic, near Sarajevo, the source said.

Muslim forces in an area under the control of the United Nations Protection Force were opening fire from anti-aircraft guns on the road between Sarajevo's suburbs of Vogosca and Pale, Bosnian Serb army sources said.

SRNA said that in northern Bosnia, joint forces of Bosnian Croats and neighbouring Croatia were opening strong small arms fire and had dropped five tank shells on the Bosnian Serb village of Jenjice, 10 km southeast of the town of Orasje.

Bosnian Serb army sources reported small arms fire from Croat positions along all lines of separation in the valley of the Sava river.

Serbs Repel Muslim Attacks in Mostar, Konjic

LD2109150794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1331 GMT 21 Sep 94

[Text] Bileca, 21 Sep (TANJUG)—Srpska republic army units have managed to repel two strong Muslim infantry attacks in northern Herzegovina, the command of the Herzegovina Corps said today.

The first Muslim attack, backed strongly with mortars and antiaircraft weapons, was launched from Mostar toward Nevesinje, and the second one was directed toward Borci in the Konjic municipality.

Serb soldiers repelled both attacks without any losses in their ranks, the Corps command claims, adding that the Muslims are still bringing in reinforcements and regrouping. They are also trying to infiltrate sabotage units.

UNPROFOR [UN Protection Forces] is generously helping them (Malaysian "Blue Helmets" are deployed in the area), the statement issued by the command of the Herzegovina Corps says.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Granic Outlines Demands for UN Extension

LD2109165294 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 21 Sep 94

[Excerpts] The Chamber of Counties of the Croatian Assembly has concluded a discussion on the central topic of its 16th session—the UNPROFOR [UN Protection Forces] mandate on the territory of the Republic of Croatia. As an introduction to this discussion, a report was submitted by Mate Granic, Croatian deputy prime minister and minister of foreign affairs, who outlined Croatian demands regarding the extension of UNPROFOR's mandate by three months. The Chamber of Counties' final stance on this issue will be formulated on the basis of discussion by an interparty commission and forwarded to the Chamber of Deputies. Kreso Zadravec has a report:

[Zadravec] The three-month extension of UNPROFOR's mandate with firm UN guarantees and a precise timescale for fulfilling some tasks, such as the return of refugees, supervision of Croatian borders, disbanding of Serb paramilitary formations, and the reestablishment of Croatian authority over occupied areas, is the only rational solution that Croatia will urge. If these demands are not fulfilled Croatia will resolutely say that there is no longer any sense in extending UNPROFOR's mandate in the future, Foreign Minister Granic told the deputies. [passage omitted]

As our basic tasks, Minister Granic mentioned:

[Begin Granic recording] Our first and fundamental task is how to reintegrate, i.e. liberate, the temporarily occupied areas and incorporate them into the overall system of the Republic of Croatia. However, there is a difference between us and the international community—not a difference in fundamental goals, but a difference in the sequence and timescale for making some concrete moves. We primarily want a peaceful solution to be achieved by political means, and that is our own independent choice. In this regard we will take into consideration, whenever justified, the interests and advice given by the international community, but will always bear in mind that our real and objective national interest must be and remain of primary importance. Our policy has been and will always be independent; we will always make independent decisions on the most important strategic goals, guided by all our experience up to now. [end recording] [passage omitted]

Army Protests Serb Activity in Occupied Areas

LD2109173894 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 21 Sep 94

[Text] The Croatian Defense Ministry's political department has announced that General Janko Bobetko, chief of general staff of the Croatian Army, has sent a protest to UNPROFOR [UN Protection Forces] commander Gen. Bertrand de Lapresle in connection with increased military activity by Serbian paramilitary forces in the Croatian occupied areas, especially because of military movements, maneuvers and live ammunition shooting on the Slunj training ground.

The chief of general staff of the Croatian Army warns the UNPROFOR commander that the Croatian Army does not believe UNPROFOR's guarantees that the Serbs have allegedly withdrawn infantry and equipment from the exclusion zone. The most blatant example of the violation of the Zagreb agreement are military exercises on the Slunj training grounds, only a few kilometers away from the line of separation. During the exercise, the Serbs used tanks, personnel carriers, and antiaircraft guns. A group of 300 to 400 volunteers from the Federal Republic of Yugoslavia and Bosnia-Herzegovina were also brought to the training grounds. They engaged in shooting with live ammunition and preparations for military operations against the Republic of Croatia and Bosnia-Herzegovina.

Gen. Bobetko demands in his protest that UNPROFOR should ensure a speedy transfer of the rebels' weapons from the exclusion zone and prevent the arrival of Serbian paramilitary units and volunteers from Serbia and Bosnia-Herzegovina to the territory of the Republic of Croatia. The chief of the Croatian Army's general staff also warned UNPROFOR commander Gen. Lapresle that if UNPROFOR fails to comply with Croatia's demands, the Croatian Army will reserve the right to take countermeasures, which will prevent the enemy from acquiring operational and technical advantage and from using the accumulated weapons and personnel of the Serbian paramilitary for fresh attacks on the free territory of the Republic of Croatia.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Defense, Interior Ministers View State Security

AU2209075994 Skopje NOVA MAKEDONIJA in Macedonian 17 Sep 94 3

[Report by "T.L.": "We Proved That We Can Survive"]

[Text] Prilep, 16 September—Ministers in the Government of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia] Vlado Popovski at defense and Ljubomir Frckovski for the interior yesterday had a meeting with members of the SDSM [Social Democratic Alliance of Macedonia] and with citizens of the town of Prilep within the framework of the election campaign. The visit of the two ministers to Prilep arose great interest for several reasons, among which were the organization and police security to avoid possible incidents. But the meeting went ahead without any such incidents.

The two ministers' speeches contained details of the current foreign and internal Macedonian policies relating to the internal and external security of the state. Vlado Popovski started his speech by mentioning historically important days for Macedonia, naming significant indiviuals in the national and revolutionary struggle that has been carried out by our state over the centuries. Popovski emphasized that at times mistakes had been made by the state, the party, and some historical figures. He said that Macedonia must gather its strength to correct the injustice done to those that have been falsely humiliated and condemned. Minister Popovski also talked about the conditions under which the independence of the Macedonian state was achieved, about the threats and pressure of some neighbors that still oppose our state. He said that in 1993 and 1994 we had military and political pressure on our northern and southern borders. Since April this year we have only had the embargo on our southern border. Vlado Popovski emphasized that our southern neighbors have left the methods of military and political pressure to our northern neighbor, but he stressed that since July this year our border has been completely "clean" and that we have constructed 14 watchtowers on the northern border.

Interior Minister Frckovski talked about the security in our state. He greeted those present whether they agreed or disagreed with his opinion, and he confirmed that at this moment Macedonia is a fully independent country. He emphasized that this had created an image in the world that small Macedonia can survive even in the hardest of times and even if abandoned.

The key to stability in Macedonia, according to Frckovski, lies not in the hands of the police, but in the foundations of the Macedonian statehood.

"We are not a society without conflicts, but the most important and key factor is that these conflicts are being solved through the institutions of the system. Unfortunately, we have got a lot of reformists who do not see very far, who are handicapped, and who look for solutions by 'yelling in the streets.'"

Replying to questions, Frckovski at one point emphasized that it was true that Prilep is a town at great risk from crime and he promised to apply the same measures in Prilep that yielded success in Ohrid and also promised that the citizens of this town would feel safe.

Albanian PDP Threatens To Boycott Elections

AU2109142094 Skopje MIC in English 21 Sep 94

[Text] The Party for Democratic Prosperity yesterday threatened to boycott the elections if the 145,000 Albanian voters, who allegedly do not have Macedonian citizenship, are not found on the electoral lists. Otherwise, the party's convention for the announcement of candidates for deputies will be held in Tetovo on 24 September. This party will candidate 50 people for deputies. According to information, the president Adburahman Aliti, and the coordinator of the deputy group, Muhamed Halili, will be candidates again.

The former party comrades, and now opponents, Menduch Tachi and Arben Dzaferi, will run for independent candidates in Tetovo, but not in the same electoral units as Aliti and Halili.

Ethnic Albanian Party Rivalries Considered

AU2209081594 Lezhe KOHA JONE in Albanian 17 Sep 94 p 3

[Article by Gjergj Vukas: "For Whom Will the Albanians Vote?"]

[Text] Kiro Gligorov, president of The Former Yugoslav Republic of Macedonia, recently issued a special decree announcing parliamentary elections on 16 October this year. As everybody knows, the Albanians won 23 parliamentary seats in the first pluralist elections held in Macedonia four years ago, thus creating their parliamentary group. This group joined a coalition with the ruling party and gained the portfolios of five ministries, including that of deputy chairman of the Council of Ministers, as well as other posts in the state administration.

Everybody also knows what this parliamentary group has done for the last four years, and how. What worries the Albanians of Macedonia prior to the parliamentary elections is deciding how they will approach these elections and whom they will vote for.

It has not been not long since the Party of Democratic Prosperity [PDP] held its extraordinary congress, at which its entire electorate suffered a serious shock. At the very first session, the Albanians' largest party split in two and, something that has scarcely ever happened, held two rival congresses at the same time. Albanians have never been so divided, and yet so close to each other, in the town of Tetova. This quarrel continues today, on the threshold of the parliamentary elections. "I am legitimate; you are not legitimate!" "The electorate is with me, while you have nobody!" Neither group heeds

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

the other, and nobody does his friend any favor. It is worth providing a clearer survey of the political parties in Macedonia on the threshold of the parliamentary elections, following conversations with intellectuals, deputies, members of the government, journalists, and ordinary citizens. Abdurahman Halili chairman of the PDP (which we will call the mother party) says of the group headed by Arben Xhaferi that "the so-called 'other group' that sought to usurp the legitimacy of the party that is rightly called the PDP, with the help of trickery and plans concocted abroad, has not existed for me and the party Presidium since the congress. The din they make is a stain on the conscience of the people and disgusts everybody."

Discussing this problem more broadly, others add, "the attacks mounted by the new group against us are not their own, but are ordered by somebody else," implying Tirana and the Democratic Party.

On the other hand, if you listen to the members of the Presidium of the Tetova-based PDP headed by Arben Xhaferi and Menduh Thaci, the criticism is even harsher.

"They have finished their mission; they are corrupted and have sold out," and so forth and so on.

This split is costing the largest party of the Albanians in Macedonia and its electorate a great deal before the new elections.

It would be an irreparable political and national mistake if we on this side of the border and they on the other side were to behave toward each other and toward different political forces on the basis of prejudices, supporting one party or another. It is the same as if one party in Macedonia were to attack one party or another in Albania, or to join in the political backbiting in Albania. This holds good not only for the political parties in Macedonia, but for the diaspora in general. This puts a final end to national unity. It also harms democracy within Albania. Everybody needs to be as close as possible to the Albanian state and to every one of its governments that emerges from free and direct elections that express the political will of Albanian subjects, and similarly close to all political forces of weight in Albania, in order to coordinate work for the national cause and to understand how all forces can equally well defend this cause. By respecting all the political forces in Macedonia and remaining impartial as regards internal political developments, we also respect these parties' membership and their electorates, who all together constitute the Albanian population in Macedonia. It is not up to anybody outside to condemn or support one political force or another and to divide, rally, or discount one party or the next. In such cases, the role of referee is the worst of all, as seen in the insistence of some Democratic Party leaders to impose themselves on the PDP and to seriously divide it. If we divided them one year ago, let us leave them to unite now on the threshold of the elections.

When the PDP is mentioned in Macedonia today ,there is no more talk of a split, but of the existence of an illegal group acting independently of the parties and the political regulations sanctioned by law and the Constitution. Arben Xhaferi's group thinks the same about the other side. It is in the interest of the Macedonian parties for the PDP to be split, and for the new group to act against the legal and constitutional dispositions and regulations during the elections too. The aim is clearly for the Albanian population not to be of one mind in the forthcoming elections. The law on political parties states that no political group may embark on its activities without being approved and registered as a party. The Ministry of Internal Affairs that has so far dealt with the approval and registration of political parties has "forgotten" to enforce the law in the case of Menduh Thaci's group. What democratic state in the world would allow the activities of any illegal group for more then one year? If it allows such a thing, this means that it is in its interest. The law has now been changed. Skopje District Court now registers parties and associations. However, pressure is being exerted even on the court [words indistinct] the law in this case. No political groups, not even Macedonian ones, have been left to their activities for so long. How then can one explain the permission extended to this group? Why such a favor? This is a "little game" that suits the Macedonian side.

The political parties in Macedonia believe that the Albanian political parties will achieve what they have gained so far in the forthcoming parliamentary elections. However, many constituencies have an ethnically mixed electorate, which means that they will gain less. Every Albanian party imagines that it will be the sole winner in the parliamentary elections, even though the Albanian cause is the preoccupation of all the political forces.

Will the political parties in Macedonia achieve the success they wish for?

Let us hope so!

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Peterle Sends Letter of Resignation to Drnovsek

AU2109135394 Ljubljana DELO in Slovene 17 Sep 94 p 1

[Letter of resignation sent by Lojze Peterle, minister of foreign affairs, to Prime Minister Janez Drnovsek]

[Text] Esteemed Prime Minister and chairman of the Liberal Democracy of Slovenia Dr. Janez Drnovsek!

In the wake of everything that has happened in connection with the elections of the new State Chamber chairman, I am informing you that I shall step down as minister for foreign affairs and government member as of 1 October 1994 (there is no mistake, this is not the tender of a resignation, but the resignation itself).

I am obliged to do this out of loyalty to my personal moral principles and loyalty to the party I head.

Although I have noticed that with its origins being remarkably linked with the former communist party, your party would not be capable of a quick advance in the direction of European liberalism, of, for instance, Genscher's type, I nevertheless expected you to lead your party as its president in that direction. Such a development would appear useful for the Slovene political situation. What gave me some hope in this respect was the fact that you declaratively, publicly decided for relations with our party to be preferential in comparison to relations with other parties. Such an attitude would certainly be European, as it is known that liberals over the world are almost more opposed to communists than Christian Democrats are.

The elections for new State Chamber chairman were a good opportunity to confirm the aforementioned relations between the two parties and, with that in mind, to establish a central line of the Slovene political arena. You were obviously interested in the result alone and not in the joint implementation of a political concept that would—in this very sensitive developmental stage for it—lead Slovenia away from extremism and a bipolar political division, and may perhaps lead it to more quickly overcome the shadows of the past that still mark Slovenia.

Your decision and your choice of partner in fact brings you an even greater monopoly in the key posts in the country's authorities (at least, the former chairman of the State Chamber used not to be from your party) which leads Slovenia away from the aforementioned directions, and literally leads toward the dangers of new bloc relations and politically destabilizes the Slovene political arena.

I thank you for your cooperation, as far as it followed the implementation of what was agreed upon and, as regards the date of my departure, I beg you to respect it (I have set it in order to be able to perform some most urgent and already agreed obligations).

Regards,

Lojze Peterle

* * *

This afternoon, Prime Minister Dr. Janez Drnovsek received Lojze Peterle's statement on stepping down as minister of foreign affairs and government member as of 1 October 1994. On that occasion, the prime minister said that irrespective of the said statement, the government will continue to act normally and the State Chamber will also do so, as was confirmed by the ballot taken today. As announced by the prime minister's cabinet, Dr.Janez Drnovsek, prime minister and chairman of the Liberal Democracy of Slovenia, expects the Christian Democrats to continue to be members of the coalition and plans to talk with them about this matter in the coming days.

Drnovsek Elected to Liberal International

94P21197A Trieste REPUBLIKA in Slovene 10 Sep 94 p 1

[Article by C. R.: "Drnovsek—Vice President of Liberal International"]

[Text] Ljubljana—Prime Minister Janez Drnovsek, who is participating at the Liberal International [LI] congress in Reykjavik, was elected vice president of this organization yesterday. Slovenia also became a full member of the LI at the congress. At the plenary session Drnovsek said liberal democracy with its tradition of tolerance can form new political and social organizations suitable for the time when national states no longer exist. Drnovsek also met with Canadian Prime Minister Chretien.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Federal

Forthcoming U.S.-Russian Talks on Bosnia Viewed

LD2109234194 Belgrade TANJUG in English 2227 GMT 21 Sep 94

["Pool" item; by correspondent Dejan Lukic]

[Text] Washington, Sept. 21 (TANJUG)—The United States campaign for exempting Bosnian Muslims from the arms embargo on former Yugoslavia could be the only moot point at the U.S.-Russian summit next week.

This might be the only major controversy at the talks between Presidents Bill Clinton of the U.S. and Boris Yeltsin of Russia in New York and Washington. Circles close to the State Department said Bosnia-Herzegovina would be high on the agenda of the fifth U.S.-Russian summit since Clinton became president.

Russia is against the exemption of Bosnian Muslims from the arms embargo on former Yugoslavia. Nevertheless, the U.S. Administration has already launched a campaign to secure the support of its allies and Moscow for the multilateral exemption of Muslims from the arms embargo, Undersecretary Richard Hallbrook said Tuesday.

Congress has bound Clinton to launch an action for the multilateral lifting of the embargo by October 15. If the action fails, the U.S. should lift its ban on sending weapons to former Yugoslavia on November 15.

There are current two groups of administration officials who are planning the U.S. policy on Bosnia. One group urges the lifting of the embargo at the United Nations (U.N.) Security Council, regardless of possible conflicts with Russia and the western allies.

This group believes there are good chances for Washington's action to pass unvetoed. Hallbrook said this was because France, Great Britain and Russia are against the lifting of the embargo but have not said they would veto such a decision.

The other group advocates the thesis that new efforts should be made by October 15 to find a political settlement to the crisis, or at least to get things moving from the current deadlock.

State Department officials said Russia is ready to support stronger measures against Bosnian Serbs in order to force them to accept the "contact group" map of Bosnia-Herzegovina. Moscow, however, insists at the simultaneous easing of the sanctions against Serbia and Montenegro, about which Washington is not enthusiastic.

Nevertheless, the U.S. believes the easing of the sanctions against Yugoslavia are a better alternative than a confrontation within the contact group, especially with Russia, and at the time of the summit.

Political observers in Washington are mostly of the opinion that October 15 will open a period of major trials in trans-Atlantic relations and relations between Washington and Moscow.

Clinton would therefore rather have Congress ease pressure and give diplomatic efforts another chance, before the U.S. becomes a side in the war by unilateral exempting Bosnian Muslims from the arms embargo.

Bosnian Muslim Prime Minister Haris Silajdzic, who is currently in Washington lobbying for the lifting of the embargo, is to be received by Clinton.

Clinton will also meet with Bosnian Muslim leader Alija Izetbegovic in New York during the U.N. General Assembly session.

'Customs War' Noted Between Srpska, RSK

AU2109154294 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 19 Sep 94 p 30

[Report by I. Zurovac: "The Economic Duty From Pale"]

[Text] The Srpska republic government is trying to fill Pale's empty coffers by implementing a regulation on the payment of customs duties, import duties, and sales tax for certain commodities imported to or transported through its territory.

The fact that the regulation from Pale surprised the government in Knin and caused astonishment proves that there are "double connections" and "communication disturbances" between Pale and Knin. It is being unofficially claimed that it has come to this "customs war" after the Krajina government decided to tighten transportation controls in cooperation with the Federal Republic of Yugoslavia [FRY]. Although the additional interpretation has come from Knin that controls have been tightened in order to prevent smuggling, crime, and the illegal accumulation of money on the part of certain individuals, it does not seem to be interpreted in Pale in this way....

Relations "became jammed" on the first day of the regulation being implemented, at the border crossing in Sremska Raca. The Srpska republic customs officials stopped 13 fuel-carrying vehicles bound for Krajina and demanded 24,000 German marks or the dinar equivalent for the transfer of each one. Since Krajina does not have the money, attempts have been made to come to an agreement, but so far to no avail.

The Pale government may have taken this decision because of the situation with which the Srpska republic has been confronted after the FRY imposed the blockade against it, which undoubtedly poses a great danger to Krajina. The Srpska republic border areas, especially the Banja Luka region, which borders on Lika, Banija, and Kordun, will have to adapt itself to the new situation and prices several times higher, together with shortages

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

affecting the Serbs across the Drina River. In order to teach Krajina a lesson, the Srpska republic is effectively working against itself, too. Chaos is certainly approaching.

Apart from most luxury goods, the "price list" signed by Dusan Kozic, prime minister of the Srpska republic, includes foods, too. Here are some examples: Import duty and sales tax on gasoline is 95 para per liter and on oil 80 para per liter. One dinar has to be paid for every packet of foreign cigarettes or those produced under foreign license, and 50 para for a packet of domestic cigarettes (the definition of "domestic" is not found in the regulation). The duties on wine amount to 50 para per bottle, for domestic beer 20 para, and for imported beer 80 para. The duty on a bottle of brandy, grape brandy, or other spirits is two dinars. Twenty para has to be paid for natural fruit juices, and 50 for carbonated. The duty on imported juices is one dinar. The duty on all kinds of coffee is two dinars, and on a kilogram of salt five paras.

The duties on wood, logs, and sawed timber are 80 dinars per cubic meter, which will stop the export of these goods from Krajina.

Krajina will be effectively confronted with a desperate situation; there is no money to pay these duties, so it will have to pay with goods if it wants to import. Goods to be exported to or imported from the FRY will be considerably more expensive (about 40 percent). What is even worse, there will be big differences in the price of one and the same commodity in various places in Krajina because of the transit through the Srpska republic and the FRY (from Knin, for example, to Beli Manastir and vice versa). This means that the republic of Serbian Krajina will be split into different markets.

[Box, p 30]

"Borislav Mikelic: 'Unacceptable!'"

Borislav Mikelic, prime minister of the republic of Serbian Krajina, described the Pale regulation as unacceptable because Krajina cannot cope with the economic burden.

"Krajina has not introduced restrictions on the movement of goods between the republic of Serbian Krajina and the Srpska republic. It would never do such a thing to the Srpska republic. At the request of the Yugoslav Customs Authority, we have tightened the control of goods shipments in order to prevent companies from the republic of Serbian Krajina from providing companies from the Srpska republic with documents. This has not harmed the Srpska republic. As far as the economic blockade of the FRY against the Srpska republic is concerned, Krajina cannot be made responsible for it," Mikelic said.

Serbia

New Ownership Transformation Law Examined

94BA0405A Belgrade NIN in Serbo-Croatian 18 Aug 94 pp 18-19

[Article by Petar Ignja: "Return to 1945"]

[Text] On the last day of this famous extraordinary session of the National Assembly of Serbia, when only the Socialists, the New Democrats, and the regular Democrats were still in the chamber, a law was adopted which, according to many experts, takes our country back 50 years to the time of nationalization. It is interesting that neither the newspapers nor many or our television stations paid due attention to this case (BORBA was an exception), in the belief that it is of far greater importance to the Serbian national interest that a lady from Pale was unable to cross the Drina and get herself a villa on Dedinje.

The law referred to is officially entitled Law Amending and Supplementing the Law on Conditions and Procedure for Transformation of Social Ownership Into Other Forms of Ownership, and its adoption was proposed by the Democrat Party. Officially. But, judging by the title, which is comparable to many socialist pearls of the bureaucratic mode of expression, and knowing how many literate people there are in the Democrat Party, most anything might occur to people of a suspicious bent. In any case, the Socialists and the New Democrats poked their fingers deep into the very essence of the proposed law (inserting their own amendments), so that this legislative wonder can be regarded as the offspring of all three.

The Philosopher's Economy

The most important article in this law is also its first, which adds after the old law's Article 34 a new Article 34a, which reads as follows:

"The value of social capital as determined in procedure for transformation of social ownership into other forms of ownership during the period since 1 January 1990, and also the value of subscribed shares for the purpose of the sale of social capital or for additional capitalization shall be revalued in accordance with regulations on revaluation, in the manner prescribed by the finance minister...."

The Democrats did not believe that the revaluation should go back to the day when the law "took effect"; their idea was to revalue only the last year (because of the sky-high inflation), but the Socialists and their partner in the government coalition were of the opinion that the injustice should be eradicated—back to the very root.

In consenting to the Serbia amendment—which is nothing other than cancellation of the privatization that has taken place so far—and nationalization of everything transformed from socialized to private—Djindjic's

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Democrats have become (consciously or unconsciously?) the faithful custodians of socialism, of social ownership, of a self-managed economy, and of the government which is now in power.

There is an economic council in the Democrat Party, which is headed by Dr. Bosko Mijatovic. Recently this economist has been particularly concerned with this phenomenon, and a few months ago he published a book which will receive a great deal of attention and which is entitled for short—Privatizacija (Privatization). He made quite a few statements in connection with adoption of this law which made it clear that the economic experts of the Democrat Party are not backing the bill, that it is a purely voluntaristic move which undoubtedly originated with the president of the party himself (who happens to be a philosopher). Nothing has been heard from the other party economists, nor have the party leaders spoken out, except for Zoran Djindjic, just once, in his own style (as though everything is flying overhead on a magic carpet); instead of explaining what he was after with this law, he rained shells down on BORBA, which allegedly had not sufficiently examined the full extent of the social problem (which had built up), but approached everything on the basis of personal interest.

It Is Late for Justice

After all that has happened, Dr. Mijatovic wants to trap the ball and not to believe that it would benefit anyone to dig around in what has been done. He said what he had to say, and he added for our newspaper that there were considerable quarrels and squabbles before the party presented the bill to the Assembly. The stronger, which is not to say the smarter, won out.

Dr. Mijatovic says it is a fact that privatization was unfair and that there is nothing wrong with the idea of correcting the injustice. That portion of the population which was employed took over social capital virtually without compensation, and that was the injustice. The mechanism was as follows: in a time of high inflation payment installments were revalued only once a year, so that the debtors—buyers of stock shares—appropriated immense inflationary profit.

"I was against gratis privatization, I favor privatization through vouchers, which is one form of gratis privatization, but then all citizens of a country are gainers. However, in Serbia this gratis mechanism benefited only one part of the population. That is why it was unfair, and that is why something should be changed here," Dr. Mijatovic said.

And that something, to be specific, means this: In order to avoid unfairness, a year or two ago it was possible to amend the law and institute the obligation of monthly revaluation.

"A law to that effect was prepared in the spring of '93, before that hyperinflation, but for some inexplicable reason, the government did not present it to the Assembly."

The reasons become clearer when we realize that the government at that time was (still) headed by Radoman Bozovic, certified proponent of state ownership and advocate of a self-managed economy (a catchy phrase, right?). He did not want any correction of the law, he wanted it repealed in toto. The paradox was this: it was Djindjic who managed to do what Bozovic was unable to do.

Virtues and Defects

The initiator of the last change in the law was the Democrat Party, Dr. Mijatovic comments, and its point of departure was the need to correct an injustice. But the text that was adopted is an amendment presented by a group of deputies of the Socialist Party and New Democracy. The bill adopted calls for mandatory revaluation of the value of stock purchases and payments for that stock by every purchaser, who would be required to pay the difference ascertained in this way. Is it possible to speak of the virtues and defects of the law adopted?

"Yes, it is. The virtue is justice. Eliminating the unfair aspect of what up to now has been a privilege," Dr. Mijatovic said.

Defects?

"I am afraid there will be very adverse economic consequences. That is, it will be the rare purchaser of stock who will be willing and able to pay in addition the immense difference that will soon occur, since everyone will be under obligation to pay 100- or 1000-fold more than what he has paid up to now. At the level of Serbia today, this represents 10 or perhaps even 20 billion German marks. That money simply does not exist, and even those who might have it will refrain, since the value of socialized firms is considerably less than the assessment."

How does this look in a particular case? Well, let us take Crvena Zastava in Kragujevac. Lord only knows how much our government thinks it is worth. Probably a lot. When you add up all the bricks, the concrete, the machines and tools, at some book value, Zastava might be worth who knows how many billions. But its market value is miserable, to say the least. Whoever bought it could count only on how much profit that factory is capable of generating later on, and that is all. Who in the business world is interested in its masonry, ironwork, and production plan?! Why, even Swedish Volvo recently had to shut down a new factory near Goteborg and lay off 8,000 workers, since even Volvo automobiles have been unable to find enough purchasers.

There is a well-known example, it was in the newspapers, of a Bulgarian factory. The state sold it to the Americans for one dollar.

"I read that. There's nothing strange about it, that is what is being done. The worst is for a factory not to be operating," our informant said.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

And he seriously warned, he could not have been more serious, what could happen now.

"I am afraid that cancellation of most of the privatization transactions that have taken place up to now will result in transformation of private capital into social capital, and that will be our famous transformation. there is no need to waste words on the consequences that will follow from that kind of transformation that will follow. In short, this will result in a drop in efficiency, factories will shut down, the social product will drop," Dr. Mijatovic said.

Soup Without Noodles

Had our informant heard about a statement by Avramovic to the effect that this now-famous economist was preparing to prove to the world that social ownership could be just as efficient as private ownership (if not more efficient)? Yes, he had. And what did he have to say to that?

"Nonsense."

At a time when communism was in power over a substantial part of Europe and when socialist economies of many countries were turned toward one another (because their goods were of similar quality), the red camp was still able to get by just barely. We would send them Borovo shoes, they would send us their famous watches, fans, and petroleum (nevertheless). At that time there were also various committees monitoring the managers to some extent. Today there are no committees, but there are still socialized managers, and they do that they please. this is absolute disaster with no end in sight.

Not all the sticks and stones should be thrown at the Democrat Party of course. The idea of doing something has support in a public opinion survey. That is, a serious and representative survey was conducted, showing that 52 percent of the public believe that our privatization had been unfair. All of this indicated that there was a political need to change something in the law on privatization. The Democrat Party was aware that a new and better law could be passed, and it submitted it. It was based on vouchers and unrequited privatization for everyone, rapid and fair, and in a short time it would have eliminated the adverse consequences of the law on revaluation. But the Socialist majority in the Assembly did not adopt the new law on rapid and fair privatization; it left that to be done some other day, perhaps even later, and that is how it brought back 1945 to us through the back door.

The reader must realize: recently the organized communists, led by a woman comrade whose name need not be mentioned, announced that they are against capitalism and private property. The Democrats greatly aided them by proposing this impossible law. The same day the law was passed the woman comrade's husband, whose name also need not be mentioned, signed the same. Fine, what you can do today, do not put off until tomorrow. But all of this speaks volumes.

What would the Socialists be today without the Democrats? Soup without noodles, an observatory without a telescope.

Montenegro

Lekic Discusses Importance of Prevlaka Peninsula

LD2109134794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1249 GMT 21 Sep 94

[Text] Podgorica, 21 Sep (TANJUG)—I consider all statements that prejudice the resolution of the Prevlaka issue by advocating a one-sided vision and demonstrate irresponsibility as constituting a threat to stability, which is detrimental to the process of finding a peaceful and just solution to this issue, which for us is exceptionally important, Montenegrin Foreign Minister Miodrag Lekic said today.

Lekic's statement, which came in response to the latest reactions in connection with Prevlaka, forwarded to the media by the Montenegrin Foreign Ministry, says:

"After the London conference, our country accepted a compromise and a temporary solution providing for UN control over the Prevlaka peninsula. As is known, such an approach on our behalf ensured stability in the area over the past period.

"At the same time, during numerous contacts, representatives of the international community could see for themselves the geopolitical and strategic significance of Prevlaka and other aspects of the issue. The international community's representatives have also respected all our efforts to solve the disputed issues peacefully as well as our arguments toward a lasting and just solution.

"It is our belief that the efforts made by relevant representatives of the international community are directed along the same lines. This was confirmed by standpoints presented in Geneva by the cochairmen of the international conference on former Yugoslavia, Lord Owen and Thorvald Stoltenberg, after their recent tour of Montenegro and Croatia.

"Taking into account the course of the events, we expect that, within the overall resolution of the crisis on the territory of the former Yugoslavia, the stability of the area will be achieved by a definitive territorial demarcation on a long-term basis," Lekic's statement says.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.